

Town of Yarmouth

Housing Production Plan

760 CMR 56.03(4)

March 25, 2011



Submitted by

**Town of Yarmouth Department of Community Development on behalf of
Yarmouth Community Housing Committee
Yarmouth Affordable Housing Trust**

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TOWN OF YARMOUTH HOUSING PRODUCTION PLAN

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I. EXECUTIVE SUMMARY

A. HOUSING CHALLENGES

Incorporated as a town in 1639, Yarmouth is located in the mid-Cape area, approximately 65 miles southeast of Providence and 75 miles southeast of Boston. It is bordered by Barnstable to the west, Dennis to the east, Cape Cod Bay on the north and Nantucket Sound to the south.

The Town of Yarmouth, like much of Cape Cod, has been at a crisis point in affordable housing. The median home price was \$249,000¹ as of the end of 2010, down from \$327,000 at the height of the market in 2005, but still unaffordable to those earning less than \$64,500, representing almost 7,000 households or approximately 62% of all Yarmouth households.² First-time home purchasers are particularly challenged by more stringent lending criteria in response to the recent financial crisis, including high down payment requirements of as much as 20% of the purchase price and rigorous credit standards. Some existing homeowners are finding that they are at risk of losing their homes to foreclosure, while others find rising energy and other housing-related costs much more difficult to afford.

For rentals, the picture is bleak as well. Based on 2000 US Census data, 40% of households earning less than \$50,000 paid unaffordable rents. Rentals also exact high up-front cash requirements, often including first and last month's rent and a security deposit. Credit checks and other references also place barriers to rental housing for some. Information from the Yarmouth Housing Authority also suggests high wait lists and low turnover rates for subsidized housing, especially handicapped accessible units.

As would be expected from a community in a tourist area, seasonal housing use is high, and consequently, in the summer months, Yarmouth's population increases substantially, putting high demands on local services but bolstering the town's economy. Having more than one in four homes unavailable for year-round occupancy further limits the supply of affordable housing for year-round residents. Yarmouth in fact has among the highest number of motel units, some of which have attracted a more transient, lower income population throughout the year, and others that are showing their age and require improvements to become more economically viable.

Demographic trends indicate that there will continue to be gains in the proportion of older residents and a continued decline in younger people. Older people will be most able to move into Yarmouth, as they are more likely to bring with them the significant equity needed to participate in the local housing market, which is increasingly dominated by owner-occupied units. However, because of their increasing numbers, reliance on fixed incomes and unique needs, a substantial segment of seniors will need affordable housing and assisted living arrangements.

While there will be additional older residents, housing for younger people is critically needed

¹ www.thewarrengroup.com

² Figures based on 95% financing, interest of 5.5%, 30-year term, annual property tax rate of \$8.64 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount.

because of the ongoing losses from the younger age groups and the expected continued prevalence of homeownership among seniors. To attract a more stable labor force, it is important to work towards providing more affordable housing opportunities. Consequently, the Town will target its affordable housing efforts to the development of more affordable rental options for younger households and the increasing numbers of older, long-term residents with fixed incomes as well as homeownership opportunities for first-time purchasers and lower income empty nesters.

The current supply of affordable units is 405, or 3.36% of its year-round housing stock based on the December 2010 DHCD Subsidized Housing Inventory (SHI).³ Total year-round units are listed at 12,056 but will increase somewhat when the 2010 census figures are released, reflecting growth since 2000. This affordable housing inventory will need to be more than tripled to reach the goal of 10% of year-round units as affordable under Chapter 40B. Future growth as well as expiring affordability restrictions on current affordable units will require additional conversion or production to keep the percentage of affordable units from regressing significantly.

Given its location on Cape Cod, Yarmouth will continue to be a tourist destination attractive to second-homeowners and retirees. This fact will continue to constrain Yarmouth's year-round housing stock and increase associated prices. Without the creation of considerably more affordable housing and employment opportunities that pay a livable wage, substantial gaps will likely widen between available resources and local needs.

B. HOUSING GOALS

This Housing Production Plan will be submitted to the state for approval under Massachusetts General Laws Chapter 40B, 760 CMR 56.00 that will offer the Town greater local control over affordable housing development. The Housing Plan will also provide a blueprint to help Yarmouth further its progress towards meeting the state's Chapter 40B 10% affordable housing goal as well as local goals and priorities, presenting a proactive housing agenda of Town-sponsored initiatives.

Chapter 40B dictates that if a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.⁴ However, if the Town meets the annual goal of producing 60 units (most likely 62 units when the 2010 census data is released), it will likely be able to deny unwanted Chapter 40B developments through state Housing Production regulations. It also should be noted that the Town may be able to

³ Year-round units are based on total housing units minus vacant and seasonal/occasional units.

⁴ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

reserve up to 70% of the affordable units in any new development for those who have a connection to the Yarmouth community, as defined by the state and referred to as “community preference” units.⁵

The Town of Yarmouth has developed some broad goals to guide local investment in affordable housing including:

- Implement policies that increase access to and the availability of affordable housing in Yarmouth and promote equal opportunity in housing .
- Promote affordable housing consistent with local needs.
- Promote smart growth development principles including encouraging housing development that also preserves open space and natural features.
- Encourage mixed-use development that incorporates workforce housing to support local businesses and reuse of existing properties.
- Strive to reach the 10% goal for affordable housing as set forth in MGL Chapter 40B while maintaining the quality of life for all residents

Gaps still remain between what many current residents can afford and the housing that is available. Consequently, the Town is looking for opportunities to further diversify the housing stock and address the range of community housing needs. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased housing-related costs but also hard-pressed to find alternative housing that better meets their current lifestyles. Families are finding it more difficult to hold onto their homes given the faltering economy, as there have been some foreclosures. They have also been less able to “buy up,” purchasing larger homes as their families grew. Town employees and employees of the local businesses continue to be challenged in locating housing that is affordable in town. More housing options are required to meet these local needs.

C. PURPOSE OF PROJECT

The Town’s Department of Community Development has prepared this Housing Production Plan on behalf of the Community Housing Committee and Affordable Housing Trust. The Plan, written in accordance with 760 CMR 56.03(4), presents a proactive strategy for planning and developing affordable housing, identifying Yarmouth’s housing needs and the strategies the Town will use to continue to make progress in facilitating the development of affordable housing.

The Plan presents a Housing Needs Assessment, including US Census data, population and need projections, development constraints/limitations (including infrastructure), and Yarmouth’s plans to

⁵ “Community preference” units are allowed pursuant to submission of an Affirmative Fair Housing Marketing Plan, the requirements of which are promulgated by the state and last updated on June 25, 2008. These requirements include the following allowable preference categories:

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- Municipal employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- Employees of local businesses: Employees of businesses located in the municipality.
- Households with children attending the locality’s schools, such as METCO students.

mitigate these constraints. The Housing Production Plan also addresses affordable housing goals, including goals for the mix of housing, and numerical goals for annual housing production. Finally, the Housing Production Plan offers implementation strategies. These strategies stem from articulated community values and goals, and offer a plan of action that includes planning and regulatory reform, building local capacity, housing production and housing preservation. Within these actions are the identification of zoning districts and geographic areas where zoning might be modified to promote affordable housing, specific sites where Yarmouth may consider encouraging comprehensive permit applications, characteristics of preferential developments, municipally owned parcels appropriate for affordable housing development, and opportunities to participate in regional collaborations.

D. SUMMARY OF HOUSING STRATEGIES

This Housing Production Plan builds on the substantial progress that has been made over the past few years in promoting affordable housing. For example, major Town Meeting approvals for funding and zoning amendments are highlighted in Table I-1. In fact, the Town prepared a Housing Plan in 2007 under former Planned Production requirements and submitted it to DHCD. While the Town did not secure final state approval, it has made impressive progress in implementing this Plan as documented in Appendix 1.

Table I-1: Recent Town Actions Towards Promoting Affordable Housing

Town Action	Date	Description
Community Preservation Committee Created	Town Meeting January 2005	3% tax for community housing, open space and recreation, and historic preservation.
Motel Bylaw (Zoning Bylaw § 404)	Town Meeting April 2006	Allows for the redevelopment of certain Route 28 motels into residential or mixed-use. Affordable housing component required.
Affordable Housing Bylaw (Zoning Bylaw § 412)	Town Meeting April 2006	Set requirements for affordable housing.
Motel Predevelopment Fund	Special Town Meeting Sept. 2006	Town created a Motel Predevelopment Fund initially with \$150,000 of Community Preservation money.
Municipal Affordable Housing Trust Created and Capitalized with Community Preservation Funds	Town Meeting April 2007	Created and capitalized the Trust to create and preserve affordable housing. Trust has been capitalized at every subsequent Annual Town Meeting.
Affordable Housing Bylaw Inclusionary Zoning (Zoning Bylaw § 412)	Town Meeting May 2009	Amended to include inclusionary zoning.
Affordable Lots (Zoning Bylaw § 412)	Town Meeting May 2009	Amended to allow affordable housing to be built on unbuildable lots.
Condominium Motel Bylaw	Town Meeting 2010	Allows condominium motels to convert to residential with an affordable housing component as inclusionary zoning applies.

This progress has been greatly assisted by important local funding sources including CPA, CDBG and Housing Trust funding. Specific development projects and programs include a Housing Buy-Down Program, Affordable Rental Program, Affordable Homeownership Rehabilitation Program, a Septic Repair Program, a Regional Ready Renters List, and initiatives to preserve units included in the Subsidized Housing Inventory that count towards a community's 10% affordability goal under Chapter 40B. The Department of Community Development continues to work with the Board of Selectmen, Board of Appeals, Planning Board, Community Preservation Committee, Community Housing Committee, Affordable Housing Trust, Yarmouth Housing Authority, and the Barnstable County HOME Consortium, along with private developers to preserve and create

affordable housing in Yarmouth. Local and regional non-profit organizations have been particularly helpful in moving Yarmouth's housing agenda forward including Habitat for Humanity of Cape Cod, Harwich Ecumenical Council for the Homeless (HECH), Our First Home, Inc., and the Housing Assistance Corporation (HAC).

Within the context of compliance issues, local needs, existing and projected resources, affordability requirements, and housing goals, this Housing Production Plan proposes a range of actions to promote affordable housing. These strategies are summarized in Table I-2 and are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels. Moreover, the proposed actions present opportunities to judiciously invest limited CPA, CDBG and Affordable Housing Trust funding to build local capacity, modify or create new local zoning provisions and development policies, subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, and help preserve the existing affordable housing stock, and provide direct assistance to both qualifying owners and renters.

Table I-2: Summary of Housing Strategies

Strategies	Timeframe for Commencing Implementation		# Affordable Units	Responsible Parties
	Years 1-2	Years 3-5		
A. Planning and Regulatory				
1. Pass Village Center bylaw	X		*	PB, CEDC, CHC
2. Amend Cluster Development bylaw		X	*	PB, CHC
3. Explore adoption of 40R/40S		X	*	PB, CHC
4. Allow a wider range of housing types	X		*	PB, CHC
5. Explore TDR		X	*	PB, CHC
6. Waive permit fees		X	*	BOS
7. Explore property tax exemption for year-round rental units		X	*	BOS, CHC
B. Build Local Capacity and Support				
1. Continue to conduct educational campaign	X		*	CHC
2. Encourage training on housing/smart growth development	X		*	BOS, CPC, CHC
3. Prepare a deed rider inventory	X		*	CHC
4. Access housing resources (subsidies and technical assistance)	X		*	CHC, AHT
C. Housing Production				
1. Continue to revitalize commercial areas with housing	X		229	PB, CHC
2. Continue to make suitable public land available for affordable housing	X		125	CHC, AHT
3. Continue to convert existing housing to affordability	X		28	CHC, AHT
4. Continue to promote adaptive reuse	X		100	CHC, AHT
5. Develop Scattered Sites	X		34	
D. Housing Preservation and Direct Assistance				
1. Monitor affordability of Subsidized Housing Inventory	X		10**	CHC
2. Rehabilitate existing housing stock, attaching deed restriction if possible	X		*	CHC, AHT
3. Help current and prospective homeowners access housing resources	X		*	CHC, YHA, COA
4. Provide assistance to renters		X	*	CHC, AHT, YHA

* Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted towards production goals.

** Indicates existing affordable units requiring further subsidies to remain affordable given use restrictions.

Responsible Party	Abbreviation
Community Housing Committee	CHC
Board of Selectmen	BOS
Planning Board	PB
Affordable Housing Trust	AHT
Community and Economic Development Committee	CEDC
Council on Aging	COA
Yarmouth Housing Authority	YHA

II. COMPREHENSIVE HOUSING NEEDS ASSESSMENT

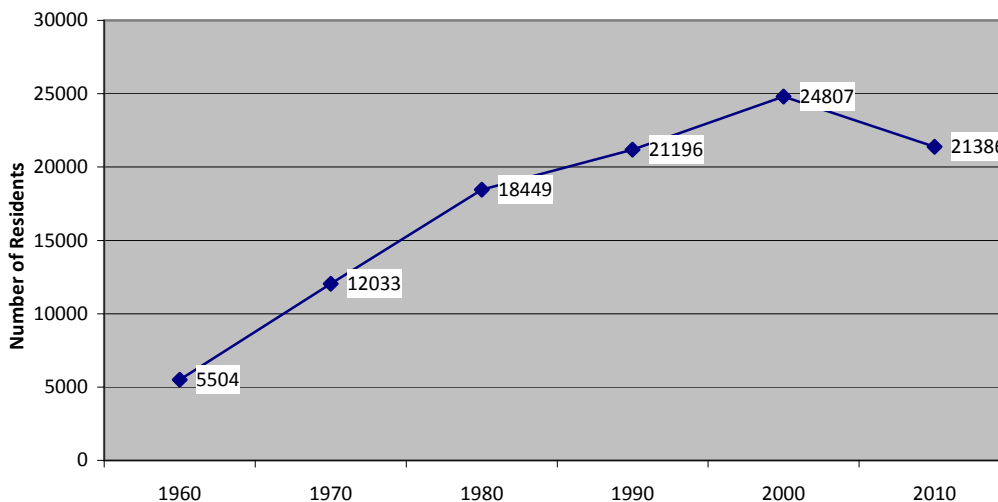
A. DEMOGRAPHICS CHARACTERISTICS

1. Population Growth and Density

The Town of Yarmouth had a population of 24,807 in 2000 (based on the 2000 US Census) and an area of 28 square miles, representing a population density of about 856 residents per square mile, high in comparison to the County's of 561.2. In fact, Yarmouth is the most densely populated town on Cape Cod.

As presented in Figure II-1, Yarmouth encountered substantial growth from 1960 to 2000, with the population more than doubling between 1960 and 1970 and then doubling again from 1970 to 2000. Yarmouth's growth rate of 17.2% between 1990 and 2000 alone far exceeded the state's overall growth for the same period of 5.5%. However, a local census count performed by the Yarmouth Town Clerk shows a population decline since 2000, dropping to 21,931 residents by 2007 and then to 21,386 by the end of 2010. This decline is also supported by 2009 estimates from the Nielsen Claritas, Inc. data base to a lesser extent with an estimated population count of 23,700, decreasing somewhat to 22,995 by 2014. US Census Bureau estimates for 2009 are also in this range, estimating 23,844 total residents in 2009. On the other hand data from the University of Massachusetts Institute of Social and Economic Research (MISER) shows a 2010 population of 27,651 growing to 31,315 by 2020, likely substantially overestimating the size of the community.

Figure II-1: Yarmouth Population Change 1960 to 2010

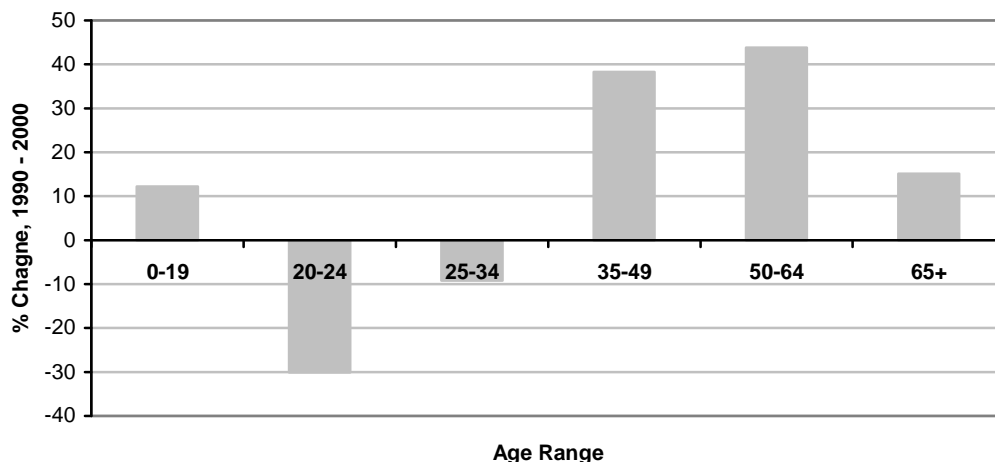


2. Age Distribution

Demographic trends indicate that the proportion of older residents will continue to increase at the expense of those who are younger. Figure II-2 emphasizes this point by comparing 1990 and 2000 census data by age, showing a significant decline in younger populations and increase in older age groups. Notable losses were in the younger adults. The relatively high cost of living in Yarmouth and the Cape in general, the lack of affordable housing in particular, as well as limited employment opportunities are likely creating barriers for this age group and making it

increasingly more unlikely that those who grew up in town will be able to raise their own families locally. This is evidenced by the almost 40% decline in population aged 20 to 34 between 1990 and 2000, as shown in Figure II-2.

Figure II-2: Changes in Age Distribution, 1990 to 2000



As documented in Table II-1, in comparison to Cape Cod and state in general, Yarmouth's population is in fact older, with an estimated 2009 median age of 50.2 years as opposed to 48.1 and 38.5 years for the county and state, respectively. Those 65 years of age comprised 30.1% of Yarmouth's population in 2000, estimated to have increased to 31.3% by 2009, versus about 23% for Barnstable County and 13% for Massachusetts. Those in the middle age ranges have not grown or declined significantly over the past decade according to these estimates, a departure from what occurred between 1990 and 2000 as noted in Figure II-2.

Table II-1: Age Distribution, 2000 and 2009

Age Range	Yarmouth 2000/2009	Barnstable County 2000/2009	Massachusetts 2000/2009
% less than 18 years*	17.2%/15.6%	20.4%/20.3%	23.6%/25.4%
% 18 to 34 years*	14.6%/15.7%	15.0%/12.1%	23.7%/19.7%
% 35 to 44 years	13.3%/12.0%	15.3%/12.3%	16.7%/15.0%
% 45 to 54 years	13.0%/12.6%	14.8%/15.9%	13.8%/15.3%
% 55 to 64 years	11.7%/12.9%	11.5%/17.6%	8.6%/11.3%
% 65 years or more	30.1%/31.3%	23.1%/23.8%	13.5%/13.4%
Median age	48.7 years/50.2 years	44.6 years/48.1 years	36.5 years/38.5 years

US Census 2000, Nielsen Claritas, Inc. 2009 for Yarmouth, and 2009 estimates for the county and state from the Census Bureau's American Community Survey.

** The 2009 estimates for the county and state are for those less than 20 years and from 20 to 34 years for first two rows.*

The town also had significantly fewer school-age children and those under the age of 18 have decreased since 2000, estimated to have declined from 17.2% of the population to 15.6% as of 2009. Correspondingly, school enrollments have decreased from a total enrollment in the Dennis-Yarmouth School District of 4,483 students in the 1999 to 2000 school year, to 3,199 in 2010-2011, a loss of almost 1,300 students. The relatively smaller number of children is also reflected in declines in average household size (see Table II-4) and relates directly to the

increasing numbers of non-family households and declining younger adult population who are beginning to form their own families. The 18 to 34-age bracket represents about 15% of all households in Yarmouth, a bit higher than 2009 estimates for the county and substantially lower than that of the state.

Figure II-3 compares 2000 census data with 2014 projections from the Nielsen Claritas data base by age, showing significant declines in all population groups with the exception of the frail elderly 85 years of age or older. These declines reflect the projected population loss of 1,812 residents from 2000 to 2014 to a total population of 22,995.

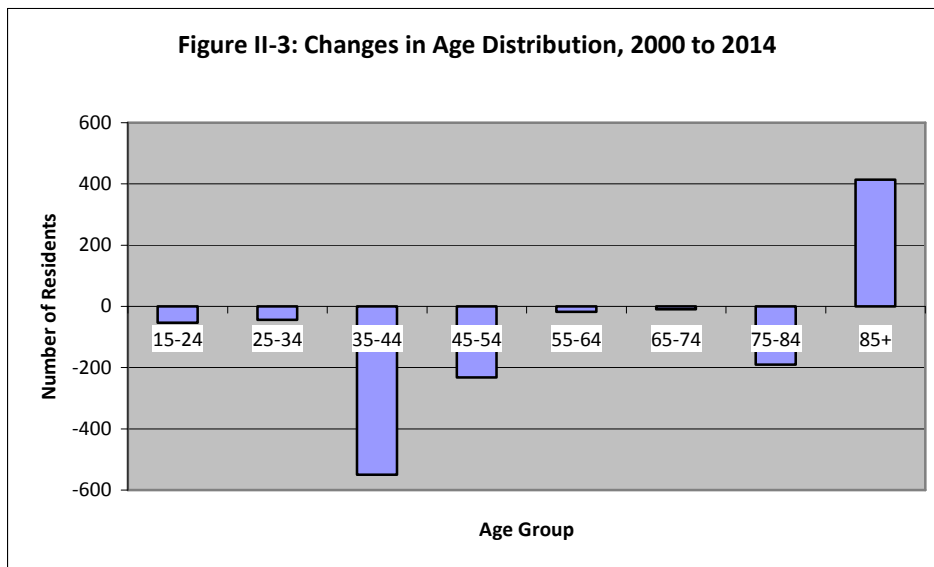


Table II-2 provides projections of the age distribution in Yarmouth through to 2020 from the Massachusetts Institute of Social and Economic Research (MISER), continuing to show an increasing number of older adults through 2020 with a simultaneous decline in the proportion of children. It should be noted however, that these population totals likely significantly overestimate Yarmouth's population growth.

This data does suggest that those under the age of 20 are projected to decline from 18.7% of Yarmouth's population in 2000, to 16.9% by 2010 and 14.8% by 2020. On the other end of the age range, those 65 years of age or older are expected to increase substantially, from 30.1% of the population in 2000 to 36.0% by 2020. Residents 45 to 65 are also expected to increase. Those ages 20 to 34 are expected to remain about 12% of the population, showing at least no further loss, and residents age 35 to 44 are projected to decrease substantially. If these demographic trends do occur, Yarmouth will be confronted with increasing numbers of older residents and fewer young families.

Table II-2: 2000 Age Distribution Data Compared to 2010 and 2020 Projections

Age Range	2000 Census		2010 Projections		2020 Projections	
	#	%	#	%	#	%
Under 5 Years	1,084	4.4	1,089	3.9	1,126	3.6
5 – 19 Years	3,546	14.3	3,579	12.9	3,518	11.2
20 – 24 Years	780	3.1	1,108	4.0	1,079	3.4
25 – 34 Years	2,494	10.1	2,224	8.0	2,766	8.8
35 – 44 Years	3,295	13.3	2,924	10.6	2,647	8.5
45 – 54 Years	3,225	13.0	3,821	13.8	3,388	10.8
55 – 64 Years	2,914	11.7	4,635	16.8	5,525	17.6
65 – 74 Years	3,446	13.9	4,053	14.7	6,292	20.1
75 – 84 Years	2,870	11.6	2,796	10.1	3,422	10.9
85 Years +	1,153	4.6	1,422	5.1	1,552	5.0
Total	24,807	100.0	27,651	100.0	31,315	100.0
Under 20	4,630	18.7	4,668	16.9	4,644	14.8
Age 20 to 34	3,274	13.2	3,332	12.1	3,845	12.3
Age 35 to 44	3,295	13.3	2,924	10.6	2,647	8.5
Age 45 to 64	6,139	24.7	8,456	30.6	8,913	28.5
Age 65+	7,469	30.1	8,271	29.9	11,266	36.0

Source: U.S. Census Bureau, 2000, and the Massachusetts Institute for Social and Economic Research (MISER).

3. Household Composition and Race

In 2000, Yarmouth had 11,520 households with an average household size of 2.11 persons. Estimates for 2009 indicate that the number of households has decreased to 11,206, reflecting declines in the overall population, with average household size decreasing as well to 2.07 persons. This average household size is smaller than that of the state and the county, indicative of a significant portion of the population living alone, almost 4,000 such households as noted in Table II-3. In 2000, 34.0% of households were single person households, 41.3% were two-person households, and only about one-quarter was comprised of three or more people. The number of households is projected to drop still further by 2014, to 11,203 households. This represents a 2.7% decline since 2000 and is reflective on the increasing numbers of smaller households as the total population is projected to decrease by 7.3% during this same period.

Table II-3: Number of Households by Household Size

# Persons per Household	Family Households		Non-family Households		Total Households	
	#	%	#	%	#	%
1	NA	NA	3,916	84.8	3,916	34.0
2	4,145	60.1	609	13.2	4,754	41.3
3	1,288	18.7	68	1.5	1,356	11.8
4	897	13.0	18	0.4	915	7.9
5	385	5.6	5	0.1	390	3.4
6	134	1.9	1	0.02	135	1.2
7 or more	53	0.8	1	0.02	54	0.5
Total	6,902	100.0	4,618	100.0	11,520	100.0

US Census 2000

In terms of household composition, Yarmouth had a higher level of non-family households than both Barnstable County and Massachusetts, 40.1% as opposed to 36%, which did not change

much between 2000 and 2009.⁶ Non-family households have been growing in Yarmouth, as they comprised only 35% of all households in 1990.

Table II-4: Household Characteristics

	Yarmouth 2000/2009	Barnstable County 2000/2009	Massachusetts 2000/2009
% Non-family households	40.1%/40.2%	36%/36.2%	36%/36.1%
Average household size	2.11 persons/2.07 persons	2.28 persons/2.24 persons	2.51 persons/2.54 persons

US Census 2000, Nielsen Claritas, Inc. 2009 for Yarmouth, and 2009 estimates for the county and state from the Census Bureau's American Community Survey.

There is a relative lack of racial diversity among Yarmouth households. Minority populations comprised only 4.7% of the total population in 2000, estimated to be up somewhat to 6.1% by 2009 and 6.8% by 2014.⁷

4. Income

As indicated in Table II-5, incomes in Yarmouth were on average lower according to census information with the 2000 median household income of \$39,808 as opposed to \$46,000 and \$50,500 for the Cape and state, respectively. As expected income levels have increased since then, and median 2009 income levels were estimated to be \$50,927 in Yarmouth while substantially higher for the county and state, at \$60,096 and \$64,496, respectively. Median household income levels are projected by Nielsen Claritas to increase to \$57,353 by 2014.

Table II-5: Income Distribution

Income Range	Yarmouth 2000/2009	Barnstable County 2000/2009	Massachusetts 2000/2009
Under \$15,000	13.1%/9.3%	12.6%/8.7%	14.4%/6.1%
\$15,000-24,999	14.9%/11.0%	12.0%/9.1%	10.2%/5.7%
\$25,000-34,999	15.0%/11.4%	12.8%/9.3%	10.4%/6.6%
\$35,000-49,999	19.6%/17.6%	16.8%/14.1%	14.5%/10.1%
\$50,000-74,999	19.8%/21.9%	21.5%/19.8%	20.1%/17.5%
\$75,000-99,999	9.3%/12.6%	11.9%/14.8%	12.8%/15.9%
\$100,000-149,999	6.3%/11.0%	8.0%/14.2%	10.9%/20.6%
\$150,000 or more	2.0%/5.2%	4.4%/10.0%	6.8%/17.5%
Median household income	\$39,808/\$50,927	\$45,933/\$60,096	\$50,502/\$64,496
% Individuals in poverty	5.5%	6.9%/6.5%	9.3%/10.1%
% Households earning less than \$25,000	29.0%/20.3%	24.6%/17.8%	24.6%/11.8%
% Households earning more than \$100,000	8.3%/16.2%	12.4%/24.2%	17.7%/38.1%

US Census 2000, Nielsen Claritas, Inc. 2009 for Yarmouth, and 2009 estimates for the county and state from the Census Bureau's American Community Survey.

⁶ Non-family households include single individuals and unrelated household members.

⁷ Nielsen Claritas, Inc. database, 2009.

The percentage of those earning less than \$25,000 annually was higher in Yarmouth, about 20% in 2009, while it was about 18% for the county and 12% for the state. On the other hand, there were far fewer year-round residents in Yarmouth earning more than \$100,000, 16.2% as opposed to 24% for the county and 38% for the state.

5. Employment

Yarmouth is located in the Mid-Cape area and a fair distance from the major population and job centers of Boston and Providence. The 2000 census indicated that 28.4% of Yarmouth's workers were involved in management or professional occupations and most were employed in the lesser paying retail and service oriented jobs that support the local economy including construction (10.7%), sales and office occupations (32.3%), and service occupations (20.6%). While 79.1% were salaried workers, another 11.8% were government workers and 8.6% were self-employed.

Additional information on employment patterns indicated that of those Yarmouth residents who were employed over the age of 16, about one-third worked in the community which is lower than that for the county at 42%, suggesting fewer employment opportunities in town. Also, 81.5% reported that they commuted alone to work by car with a mean travel time of 21.4 minutes.

It should also be noted that the significant resort economy in Yarmouth causes fluctuations in the job force that increase in the summer months to serve seasonal needs. At this point there are few housing options in Yarmouth beyond local motels to house these lower paid seasonal workers. The apparent mismatch between wages and housing prices has manifested in the recent and growing trend of employers importing workers from other communities and even other countries. Foreign workers appear to have temporary housing arrangements (including some use of lodging units) due to their temporary residency here. Such housing is very likely to be overcrowded and/or employer-supplied. Some retail, lodging and restaurant employers have secured housing for workers to sustain their basic staffing levels during the summer months.

The importation of workers is necessary because not enough workers exist locally. This makes for more challenging business operations in terms of finding and keeping skilled and unskilled workers for both the private and public sectors. A likely cause of the shortage of workers is the lack of adequate housing resources at affordable prices. The significant reduction of residents age 20-24 years and 25-34 years between 1990 and 2000 (30.1% and 9.2%, respectively) is a major indicator behind this labor trend. While this is a national phenomenon due to demographic changes, it hits particularly hard in local economies that are deeply vested in low-skilled trade and service occupations, as is the case with Yarmouth and all Cape Cod communities. The absence of adequate housing choice for younger workers greatly exacerbates their shrinking numbers.

Even if more families with teenage children seek to move in to replace the reduced numbers of 20-somethings, the affordable housing shortage and prevailing low wages will make it difficult for them to establish and sustain independent households.

6. Disability Status

The rate of Yarmouth residents with disabilities is, for the most part, consistent with the pattern shown statewide as indicated in Table II-6. It is worth noting that 42% of all older adults age 65 or older reported a disability suggesting a pressing need for handicapped accessible housing and supportive services.

Table II-6: Percentage of Noninstitutionalized Population with Physical Disability

Age Range	Yarmouth	Massachusetts
Age 5 to 15 years	1.3%	0.9%
Age 16 to 20 years	5.5%	1.3%
Age 21 to 64 years	9.1%	5.4%
Age 65 to 74 years	12.0%	17.5%
Age 75 years +	30.5%	32.7%

US Census 2000

B. HOUSING CHARACTERISTICS

1. Housing Types and Occupancy

As of 2000, about three-quarters of Yarmouth's year-round housing units were owner-occupied while the remaining quarter involved rentals. As noted in Table II-7, this level of renter-occupancy is higher than that of the county but lower than the state overall.

Table II-7: Housing Characteristics

Characteristics	Yarmouth 2000/2009	Barnstable County 2000/2009	Massachusetts 2000/2009
% Owner-occupied units	75.6%/75.4%	77.8%/81.1%	61.7%/65.0%
% Renter-occupied units	24.4%/24.6%	22.2%/18.9%	38.3%/35.0%
% Occupied housing *	69.4%/--	64.5%/62.7%	93.2%/90.4%
% Seasonal or occasional use	27.4%/--	32.0%/37.3%**	3.6%/9.6%**
% Single-family, detached structures	78.1%/77.7%	82.9%/83.1%	52.4%/53.0%
Median sales price	\$151,200/\$293,499	\$178,800/\$399,900	\$185,700/\$357,600

*US Census 2000, Nielsen Claritas, Inc. 2009 for Yarmouth, and 2009 estimates for the county and state from the Census Bureau's American Community Survey. * Does not include vacant units or those that are not occupied on a year-round basis. ** Includes vacant units in addition to seasonal/occasional units.*

As would be expected from a community in a tourist area, seasonal housing use is significantly higher than that of the state in general, 27.4% as opposed to 3.6% for the state, but lower than the county overall at 32%. Consequently, in the summer months Yarmouth's population increases substantially, putting high demands on local services but bolstering the town's economy. However, having more than one in four homes unavailable for year-round occupancy, further limits the supply of affordable housing for year-round residents. Yarmouth in fact has among the highest number of motel units, some of which have attracted a more transient, lower income population throughout the year, and others that are showing their age and require improvements to become more economically viable. Through new zoning the Town has promoted the redevelopment local motels and conversion of units to year-round use and long-term affordability.

Vacancy rates in Yarmouth have been very low with only a 1.6% vacancy rate for owner-occupied units and 3.9% for rental units. Any rate below 5% represents very tight market conditions and vacancies in Yarmouth reflect natural and fairly quick turnover.

More than three-quarters of Yarmouth's housing units are single-family detached homes. This level is somewhat lower than the county but much higher than the state where only slightly more than half of all units are in single-family detached dwellings. As Table II-8 indicates, 2009 estimates suggest only minor changes in the mix of housing types in Yarmouth. Table II-8 also shows that a relatively small portion of Yarmouth's units are in larger multi-family structures, however a significant segment of the housing stock is comprised of single-family attached units and other smaller multi-family dwellings.

Table II-8: Units in Structure

Type of Structure	2000		2009	
	#	%	#	%
1 Unit Detached	12,970	78.1	12,841	77.7
1 Unit Attached	1,032	6.2	1,056	6.4
2 to 4 Units	977	5.9	1,001	6.1
5 to 9 Units	915	5.5	896	5.4
10 or More Units	711	4.3	728	4.4
Other	0	0.0	1	0.01
Total	16,605	100.0	16,524	100.0

US Census 2000, Nielsen Claritas, Inc. 2009 for Yarmouth

Table II-9 breaks down tenure by the number of units in residential structures. Not surprisingly, almost all of Yarmouth's owner-occupied housing stock is in single-family structures. Only 6% of the town's owner-occupied units are in structures of two or more units.

About half of all rental units are also in single-family units, likely not easily recognizable from owner-occupied ones. A significant portion of rental units, 27.8%, is located in small multi-family structures of two to four units. More than one-fifth of rentals are part of larger multi-family properties of five or more units.

Table II-9: Tenure by Units in Structure, 2000

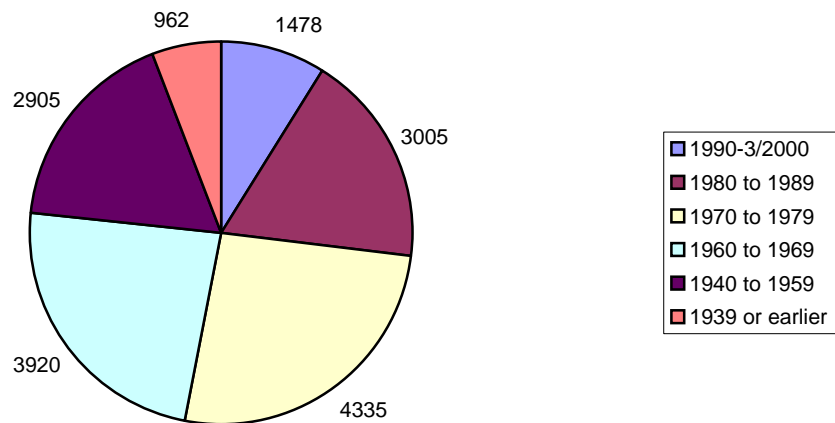
Type of Structure	Owner-occupied Units		Renter-occupied Units	
	#	%	#	%
1 Unit Detached	7,712	88.5	1,127	40.2
1 Unit Attached	485	5.6	262	9.3
2 to 4 Units	198	2.3	779	27.8
5 to 9 Units	172	2.0	216	7.7
10 or More Units	150	1.7	419	14.9
Other	0	0.0	0	0.0
Total	8,717	100.0	2,803	100.0

US Census 2000

2. Housing Growth

Figure II-4 charts housing growth, identifying that more than half of Yarmouth's housing units were created between 1960 and 1979, with another 3,005 or 18% built between 1980 and 1990. Like many communities on the Cape, this was a time where most development was targeted to the higher priced market based on the growing demand for second homes and places to retire on or near the seashore. Since 1990, residential building activity slowed down considerably with less than 10% of the housing stock built in the 1990s.

Figure II-4: Year Structure Built



Yarmouth had 16,605 total housing units in 2000, and based on building permit data, an additional 608 units have been added to the housing stock through 2010 as shown in Table II-10, representing a current housing stock of 17,213 total units.⁸ This represents a 3.7% rate of housing growth despite a loss of population since 2000, reflective of increasing smaller households and the seasonal/second home market. Assuming the same level of year-round units as 2000, 72.6%, approximately 441 units are likely to be added to the year-round housing stock, for a total of 12,497 units.⁹

⁸ Some of these units might have involved "raise and replace".

⁹ This brings the total number of units needed to get to the state's 10% affordability goal of 1,250 with annual housing production goals of 62.

Table II-10: Residential Building Permits, 2000 through 2010

Year	# Building Permits for New Units	Average Cost/Unit
2000	86	\$168,600
2001	61	\$255,900
2002	49	\$229,900
2003	61	\$261,500
2004	82	\$220,200
2005	96	\$247,100
2006	54	\$263,000
2007	27	\$274,800
2008	33	\$299,600
2009	26	\$202,700
2010	33	--
Total/Average Per Year (2000 -- 2010)	608/55.3	\$242,330

Yarmouth Building Department

State build-out projections computed more than a decade ago by the Executive Office of Environmental Affairs, projected that the town could accommodate another 1,919 housing units based on existing zoning at the time. This would represent a total housing stock of approximately 18,500 units. Assuming the same level of year-round occupancy, about 73% of the total housing stock as was the case in 2000, about 13,500 units would be available for year-round use at build-out. This suggests that 1,350 units of affordable housing would be required at build-out to meet the Chapter 40B 10% affordability goal, representing a current gap of more than 900 affordable units.

3. Housing Market Conditions

Ownership Units

Housing prices in Yarmouth have tended to be lower on average than Barnstable County and the state as noted in Table II-7. Nevertheless, the median value of owner-occupied units almost doubled between 2000 and 2009 based on Nielsen Claritas estimates presented in Table II-11. These estimates also suggest that more than three-quarters of the town's owner-occupied units are valued between \$200,000 and \$400,000, and more than 10% are valued in the affordable range below \$200,000. These more affordable units are likely to be comprised mostly of condominiums that tend to have lower housing prices as indicated in Table II-12.

Table II-11: Value of Owner-Occupied Housing

Price Range	2000		2009	
	#	%	#	%
Less than \$100,000	793	9.1	49	0.6
\$100,000 to \$149,999	3,490	40.0	137	1.6
\$150,000 to \$199,999	2,417	27.7	754	8.9
\$200,000 to \$299,999	1,408	16.2	3,515	41.6
\$300,000 to \$499,999	443	5.1	2,984	35.3
\$500,000 to \$999,999	136	1.6	889	10.5
\$1 million or more	30	0.34	125	1.5
Total	8,717	100.0	8,453	100.0
Median (dollars)	\$151,200		\$293,499	

Source: U.S. Census Bureau, 2000, Nielsen Claritas, Inc. 2009

Table II-12 charts median housing values of single-family homes and condominiums since 1990 as well as the volume of sales in any year. At the end of 2010, the median value of single-family homes was \$249,000, the median for condos at \$175,000. These prices are down from previous years, particularly in 2005 and 2006 when housing values peaked. The number of sales for single-family homes and condos was up in 2010 from 2009 levels, demonstrating some improvement in the housing market despite more stringent lending requirements and little construction activity.

Table II-12: Median Sales Prices, 1990 to 2010

Year	Months	Single-family Median	# Single-family Sales	Condo Median	# Condo Sales
2010	Jan – Dec	\$249,000	421	\$175,000	121
2009	Jan – Dec	255,500	379	184,000	103
2008	Jan – Dec	267,500	441	200,000	106
2007	Jan – Dec	304,400	377	215,000	133
2006	Jan – Dec	315,000	423	248,000	136
2005	Jan – Dec	327,000	534	242,500	213
2004	Jan – Dec	304,900	643	211,000	127
2003	Jan – Dec	270,000	574	232,000	145
2002	Jan – Dec	236,000	589	201,000	173
2001	Jan – Dec	180,000	603	188,700	124
2000	Jan – Dec	153,000	668	160,750	210
1999	Jan – Dec	135,000	752	106,750	204
1998	Jan – Dec	122,000	683	126,250	188
1997	Jan – Dec	112,950	516	121,000	127
1996	Jan – Dec	107,500	479	98,000	123
1995	Jan – Dec	104,000	426	115,000	88
1994	Jan – Dec	107,000	432	145,000	105
1993	Jan – Dec	110,000	375	89,900	112
1992	Jan – Dec	113,725	360	93,5000	89
1991	Jan – Dec	114,000	261	130,000	73
1990	Jan – Dec	120,000	274	136,375	96

The Warren Group, February 14, 2011

According to the Town of Yarmouth Assessor, the average price of a single-family home has dropped by more than 20% over recent years, with the median price falling from \$332,500 in 2005 to \$262,500 in 2009. In addition, Multiple Listing Service (MLS) data reveal a decrease in sales between 2005 and 2009 in all price categories except the lowest one as shown in Table II-13. This trend is typical of a down economy, and while bad news for some, has presented opportunities for others looking to purchase.

Table II-13: Total Sales by Year and Price Range

Year	\$200-300K	\$300-400K	\$400-600K	\$600-1 million
2005	134	222	89	27
2006	156	144	55	19
2007	153	113	52	17
2008	200	83	42	11
2009	161	69	39	9

Yarmouth Town Assessor

Rentals

In regard to rental housing, the median gross rent was \$787 in 2000, requiring an income of about \$35,000 assuming some allowance for utility costs. Since then rents have increased to at least \$800 for one-bedroom units, \$1,150 for two-bedroom units, and \$1,375 for three-bedrooms based on February 2011 listings on craigslist.

4. Affordability of Existing Housing

Ownership

To afford the median sales price of the median valued home in Yarmouth of \$249,000 (based on The Warren Group information as of the end of December 2010), a household would have to earn approximately \$64,700¹⁰, if they could access mortgage financing with only a 5% down payment, which was more available before the financial crisis. This income is substantially more than the estimated 2009 median income of \$50,927.¹¹ More stringent lending criteria are now making it more challenging to qualify for mortgages, as lenders use more rigorous credit standards and increasingly require down payments of 20% the purchase price. While the income needed to obtain this 80% financing is lower, at about \$53,750, the excellent credit and cash payments of \$49,800 plus closing costs make purchasing home a daunting challenge for those without equity in a previous home, without substantial savings or with more limited incomes.

It is also important to note that other housing costs, such as high property taxes in combination with rising energy bills and insurance costs, cause a serious financial strain on long-term residents, particularly those with fixed incomes.

Table II-14 illustrates, for the years 2005-2009, the gap between average sales price and housing costs that would be affordable to a household of four (4) persons at a variety of income levels. For example, in 2005, a household of four (4) earning at 100% of the AMI would be earning \$65,688 annually. With an average sales price of \$332,500 coupled with existing interest and tax rates, a household would need to earn \$173,000 to afford the home. This presents a gap of \$107,500. In 2009, the average home was within the means of households of four (4) earning within 100% of the AMI.

Table II-14: Affordability Gap Analysis – Ownership

Town of Yarmouth							
Affordability Gap Analysis - Ownership							
	100% AMI for Household of 4	Price (1)	Interest Rate (2)	Tax Rate (3)	HH of 4 at 100% AMI	HH of 4 at 80% AMI	HH of 4 at 50% AMI
2005	\$65,688	\$ 332,500	5.87	6.84	\$ 107,500	\$ 152,500	\$ 222,500
2006	71,688	\$ 316,250	6.41	5.93	\$ 81,250	\$ 126,250	\$ 201,250
2007	71,688	\$ 305,000	6.34	5.89	\$ 70,000	\$ 115,000	\$ 190,000
2008	74,000	\$ 285,000	6.03	6.23	\$ 35,000	\$ 85,000	\$ 160,000
2009	77,625	\$ 262,500	5.04	6.73	\$ (22,500)	\$ 37,500	\$ 122,500

(1) Single Family Home Median Sale Price per Town Assessor (Per HUD)

(2) Annual Ave Mortgage Interest Rate 30-Yr Fixed (Per Fannie Mae)

(3) Yarmouth Tax Rate (per Town Assessor)

¹⁰ Figures based on 95% financing, interest of 5.5%, 30-year term, annual property tax rate of \$8.64 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount.

¹¹ Nielsen Claritas, Inc. data for 2009.

Rentals

Renters are also confronting higher rents and utility bills, making renting more expensive. For example, the minimum rent for a market priced two-bedroom apartment of about \$1,150 requires an income of \$46,000 without including the costs of utilities. An income of \$52,000 would be needed for the minimum priced two-bedroom, assuming that these renters are paying no more than 30% of their income on housing and utility costs averaging \$150 per month.

An analysis of the affordability gap for rental housing, as summarized in Table II-15, is a bit more favorable and reveals that even households of four (4) could afford to rent a two-bedroom unit at the HUD Fair Market Rents (FMRs). The rental gaps appear for households of four (4) at or below 50% of the AMI.

Table II-15: Affordability Gap Analysis – Rental

Town of Yarmouth								
Affordability Gap Analysis - Rental								
Affordable to?								
	100% AMI HH of 4	HUD FMR - 2 BR	HH of 4 at 100% AMI	HH of 4 at 80% AMI	HH of 4 at 50% AMI	Gap	30% AMI	Gap
2005	\$ 65,688	\$ 919	Yes	Yes	No	\$ 98	No	\$ 426
2006	\$ 71,688	\$ 954	Yes	Yes	No	\$ 58	No	\$ 416
2007	\$ 71,688	\$ 1,003	Yes	Yes	No	\$ 107	No	\$ 465
2008	\$ 74,000	\$ 1,145	Yes	Yes	No	\$ 220	No	\$ 590
2009	\$ 77,625	\$ 1,192	Yes	Yes	No	\$ 222	No	\$ 610

There are also upfront cash requirements involved in rentals, typically including the first month and last month's rent plus a security deposit, assuming the applicant passes credit and reference checks and without consideration of moving expenses. Consequently, renters must have some significant savings to enter the private housing market, widening the affordability gap for many.

Both affordability gap analyses point to a need for affordable ownership and rental housing opportunities. On a large scale, the Town is beginning to see substantial opportunity for the private development of multi-family housing through its Motel Bylaw. In addition, there are public developments also in the queue with the Town moving ahead on the redevelopment of the John Simpkins School into affordable elderly rental housing and the Housing Authority making progress on the development of affordable elderly rental and family housing at Forest Road.

Cost Burdens

Also significant is the percentage of household income paid for housing expenses. Housing costs of more than 30% of a household's gross income are considered unaffordable. The 2000 US Census, reporting on 1999 incomes, shows that slightly over half of renters earning below \$35,000 paid more than 35% of their household income for rent. Of those renters making \$35,000 to \$50,000, 10% paid more than 35% of their income for rent. In total, 42% of renter households paid more than 30% of their income on housing expenses and almost one-third of renter households paid more than 35% of their income on housing. Moreover, 20% of renter households were considered "severely rent burdened" as they paid more than half of their income on housing.

Many of those who owned their homes were also paying too much for their housing with 16.5% of all owners paying more than 35% of their income on monthly housing costs. Altogether, more than 3,000 households, or 26% of all Yarmouth households, were paying too much for their housing. Given increases in housing costs since 2000, it is likely that this situation has not greatly improved.

This data is further confirmed by a HUD CHAS Data for Yarmouth that indicated the following:

- There were high levels of burden across all categories of households at or below 80% of the Area Median Income (AMI) and that approximately two-thirds (66%) of all households earning below 80% have some type of housing problem.
- Lowest income households encountered the greatest housing cost burden with 55% overall (49.3% of renters and 60% of owners) experiencing a cost burden equal to or greater than 50% of their income.
- Elderly homeowners comprised the largest cohort within this income group, suggesting that there is a great burden on these households to remain in their homes.
- In general, CHAS data reveals that renters had greater housing problems than owners with 65.6% (vs. 47.1%) experiencing problems. However, for the less than 30% AMI category, owners had greater burdens than renters from the same bracket (80.1% vs. 65.3%).
- Large related households had the greatest housing burden of any household type category with 100% of renters or owners at or below 50% of the AMI experiencing some housing problem.
- Elderly households that rent were more likely to be earning at or below 80% of the AMI than were their counterparts who own (69% vs. 51%). Housing burdens for these groups were similar in that approximately 50% of the elderly renters have housing problems, and only 22% of elderly owners having the same degree of housing problems.
- Housing burden for small related households and “other” households were also significant with just under 40% of small related households and 43% of “other” households having housing problems.

5. Foreclosures

The level of foreclosures is high in Yarmouth. There were 70 foreclosures filed during the last six months. Relative to other towns and cities in the last 60 days, Yarmouth had more foreclosed properties than 341 towns, the same as three (3) towns and fewer foreclosed properties than only 23 towns in Massachusetts.¹²

6. Subsidized Housing Inventory (SHI)

The Subsidized Housing Inventory (SHI) is used to measure a community’s stock of low- or moderate-income housing for the purposes of Massachusetts General Laws Chapter 40B, the Comprehensive Permit Law. To be counted as affordable under Chapter 40B and included in the SHI, housing must meet a number of requirements including:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation or approved by a subsidizing agency.

¹² ForeclosuresMass website, February 24, 2011.

- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development. Alternatively, the project can provide 20% of the units to households below 50% of area median income.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

Table II-16 presents the income limits for the affordable units based on the 2010 HUD guidelines for the Barnstable area, including the town of Yarmouth. SHI units must be directed to those earning at or below 80% of area median income adjusted by family size. There are other state and federal programs that target assistance to those earning at lower income levels, particularly rental assistance programs.

Table II-16: 2010 Income Levels for Affordable Housing in the Barnstable County Area

# in Household	30% Median Income/ Extremely Low-income	50% Median Income/ Very Low-income	80% Median Income/ Low-income
1	\$16,450	\$27,400	\$43,800
2	18,800	31,300	50,050
3	21,150	35,200	56,300
4	23,450	39,100	62,550
5	25,350	42,250	67,600
6	27,250	45,400	72,600
7	29,100	48,500	77,600
8+	31,000	51,650	82,600

2010 Median Household Income for the Barnstable Metropolitan Statistical Area (MSA) = \$75,300

It should be noted that Community Preservation funding might be targeted to a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing”. Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income “workforce” units for those earning between 80% and 120% of median income, and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 80% level in addition to workforce and/or market rate units. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory and help the Town reach its 10% affordability goal unless they are part of a 40B rental development where 100% of the units would qualify for inclusion in the SHI if at least 25% met 40B guidelines.

Total year-round units are listed at 12,056 for Yarmouth. This inventory would need to be tripled to reach and sustain 10% of year-round units as affordable under such scenario (1,206). Gradually expiring deed restrictions on current affordable units would require additional conversion or production to keep the percentage of affordable units from regressing.

Existing SHI Units

Yarmouth has 405 units counted as part of the Subsidized Housing Inventory (SHI), representing 3.36% of its total year-round housing stock of 12,056 units. This percentage will decrease when the US Census Bureau releases the 2010 census results, including a higher updated year-round housing figure that reflects growth during the last decade. Those units included in the SHI are summarized in Table II-17. These affordable units include 221 rentals, 113 ownership units, 53 special needs rentals, and 18 units that were rehabilitated through Yarmouth's Septic Repair Program. Consequently, about two-thirds of Yarmouth's SHI units are rentals. A total of 85 or about one-fifth of the units were processed through Chapter 40B comprehensive permits.

Most of the units have affordability restrictions in place in perpetuity, however, the town is at risk of losing units in the SHI because the restrictions for some of the units are due to expire. Units with restrictions that are due to expire within the next decade include those that participated in the Town's Housing Rehab Program, and some units built on land donated by the Town. Swan Pond Village with 150 rental units was recently rescued from losing its affordability restrictions through Chapter 40T of Massachusetts General Laws that provides emergency legislation for expiring use projects, granting the state right of first refusal when such a property comes up for sale.

Table II-17: Yarmouth's Subsidized Housing Inventory (SHI)

Project Name	# Affordable Units	Project Type	Use of a Comp Permit	Affordability Expiration Date
Long Pond Plaza (YHA)	40	Rental	No	Perpetuity
Station Ave. (YHA)	8	Rental	Yes	Perpetuity
Rose Road (Habitat for Humanity)*	1	Ownership	No	2010
Old Town House Rd. (Habitat)*	1	Ownership	No	2016
Glenside Ave. (Habitat)*	1	Ownership	No	Perpetuity
German Hill Estates*	37	Ownership	Yes	Perpetuity
HAC Utility CV/Butler Ave.	2	Ownership	No	Perpetuity
Rehab Centers/Run Pond Road	14	Rental	No	2036
Setucket Pines*	13	Ownership	No	Perpetuity
Swan Pond Village	150	Rental	No	2010
Lake Rd. East (Our First Home)	1	Ownership	No	2052
W. Yarmouth Rd. (Our First Home)	1	Ownership	No	2039
Mill Pond Village	35	Ownership	Yes	2103
Weir Road (HECH)	2	Rental	No	Perpetuity
DDS Group Homes	53	Rental/Special Needs	No	NA
Glenside Drive (Habitat)	1	Ownership	No	Perpetuity
Septic Repair Program	18	Ownership/Rehab	No	2010 – 2022
River Landing Apartments	4	Rental	Yes	Perpetuity
Even Keel Commons	1	Ownership	Yes	Perpetuity
Brush Hill Road I *	4	Special needs	No	Perpetuity
Brush Hill Road II*	6	Ownership	No	Perpetuity
Bridge Street	3	Rental	No	Perpetuity
Yarmouth Buy-Down Program ¹³	8	Ownership	No	Perpetuity
Old Cedar Lane*	1	Ownership	No	Perpetuity
Total	405			

Massachusetts Department of Housing and Community Development, December 1, 2010.

*Projects involved Town-owned land.

¹³ Single homeownership units are located on Highbank Road, Monroe Lane, Nobby Lane, Historic Brook Road, Swan Lake Road, 2 on Witchwood Road, Wilson Road, and Phyllis Drive.

The Yarmouth Housing Authority (YHA) owns and manages 52 units of affordable housing including 40 units of housing for seniors and disabled people at Long Pond Plaza, four (4) units for disabled residents at Brush Hill Road, and eight (8) special needs units at Station Avenue. All units at Long Pond Plaza have one-bedroom and rent for an average of \$315 per month, including utilities. First-floor units tend to be in great demand as the development does not have an elevator and second-floor units are more difficult to access for many of the elderly and disabled. The average wait time to move into a unit is about one to two years for Yarmouth residents and much longer for those who apply from outside the community. Most of the current tenants are from Yarmouth.

Over the past five (5) years, the Town has allocated more than \$146,361 in CDBG and \$368,748 in Community Preservation Act funds for improvements to Housing Authority units, consisting of the purchase and installation of ADA compliant toilets, purchase and installation of exterior doors, window replacement, design and replacement of a 45-year old boiler system with a new system, and the rehab of all 40 bathrooms at its Long Pond Plaza development.

The Authority also collaborates with the Housing Assistance Corporation (HAC), the region's non-profit housing organization, which maintains an actively culled waiting list for "Section 8" certificates that totals nearly 3,000 applicants with wait times of at least five (5) years.¹⁴ The Housing Authority administers 249 Section 8 vouchers and also has 20 Massachusetts Rental Voucher Program (MRVP) vouchers.

As noted in Table 11-18, another 19 units could be added to the SHI in the near future including 18 rental units and one (1) homeownership unit. The Town is working with the sponsors and DHCD to qualify the units for the SHI. These units will bring the total number of SHI units to 424 or 3.5% of Yarmouth's year-round housing stock.

In 2006, Harwich Ecumenical Council for the Homeless (HECH) purchased affordable rental duplex units at 91-93 Weir Road, 309-311, 313-315, 317-319 Camp Street and 25-27 Wampanoag Road from the Yarmouth Housing Opportunities. HECH operates and maintains these units and may qualify them for the SHI using Chapter 40B at some point in the future.

Additionally, towards the end of 2010, the Yarmouth Affordable Housing Trust allocated funding for the Town to participate in the new Mid-Cape Regional Ready Renters List. The affirmatively marketed program, administered by the Cape Cod Commission, will provide Yarmouth residents with improved access to affordable rental units in Yarmouth and surrounding towns, and likewise provide local landlords of affordable units with access to the List. This List should also allow the Affordable Accessory Apartment units to be included in the SHI. The Town continues to provide CDBG funding to help homeowners to develop quality rental housing consistent with the Town's Zoning Bylaw as an accessory apartment to their own primary dwelling.

¹⁴ The Section 8 Housing Voucher Program provides a subsidy directly to the landlord of privately-owned housing, filling the gap between a percentage of the renter household's income and Fair Market Rents (FMR's) that are annually updated by HUD for the area, Barnstable County in the case of Yarmouth.

Table II-18: Units Not Yet Qualified for SHI

Rental Housing		
Location	Sponsor/Subsidy	# Units
Weir Road	Harwich Ecumenical (HECH)	2
Camp Street	Harwich Ecumenical (HECH)	6
Wampanoag Road	Harwich Ecumenical (HECH)	2
Aurora Lane	Affordable Accessory Apartments	1
Skyline	Affordable Accessory Apartments	1
West Yarmouth Road	Affordable Accessory Apartments	1
Starbuck Lane	Affordable Accessory Apartments	1
Green Way	Affordable Accessory Apartments	1
Wilfin	Affordable Housing Trust	<u>3</u>
Sub Total Rental		18
Ownership Housing		
Location	Sponsor/Subsidy	# Units
Swan Lake Road	Habitat for Humanity	<u>1</u>
Sub Total Ownership		1
TOTAL		19

Proposed Units

As of the end of 2010, the town needed to produce at least 801 more affordable units to reach the state's 10% goal based on the existing housing stock without consideration of updated 2010 census figures regarding the year-round housing stock and future growth, a daunting challenge. As indicated in Table II-19, another 397 affordable units are almost completed or projected to be completed within the next several years, all of which will be eligible for counting in the SHI, bringing the total number of affordable units to 821 and putting Yarmouth close to 6.8%.¹⁵

Table II-19: Affordable Housing Unit Projections

Rental Housing		# Units
Location	Sponsor/Subsidy	
Forest Road	Town of Yarmouth/Housing Authority/DHCD	100
John Simpkins School	Town of Yarmouth Land Disposition	65
Bass River Motel	DHCD (LIP)/Motel Bylaw	10
Brentwood Motel	DHCD (LIP)/Motel Bylaw	16
Cap'n Gladcliff Motel	DHCD (LIP)/Motel Bylaw	24
Windrift Motel	DHCD (LIP)/Motel Bylaw	7
Irish Village	DHCD (LIP)/Motel Bylaw	88
West Yarmouth Lodging	DHCD (LIP)/Motel Bylaw	16
Neptune Lane	DHCH (LIP)/Ch 40B	24
Camp Street	DHCH (LIP)/Ch 40B	8
Great Island Apartments	DHCD (LIP)/R.O.A.D Bylaw	<u>24</u>
Sub Total Rental		382
Ownership Housing		
Scattered Sites	Our First Home, Inc. (Affordable Lots)	3
Scattered Sites	Habitat for Humanity (Affordable Lots)	4
Scattered Sites	Yarmouth Affordable Housing Trust – Buy-Down Program	7
West Yarmouth Lot	Yarmouth Affordable Housing Trust – Town-Owned Lot	<u>1</u>
Sub Total Ownership		15
TOTAL		397

¹⁵ This is based on the 2000 year-round housing figure, but the 2010 updated figure will likely be about 6.6% based on a revised total year-round housing stock of about 12,500 total units when the 2010 census is released.

The major projects that are in the pipeline include the following:

RENTAL HOUSING

- *Forest Road*
The Town of Yarmouth conveyed this 18.89-acre property to the Yarmouth Housing Authority in 1985, initially for the purpose of building affordable rental housing for seniors. After several unsuccessful efforts to develop the project, the Town of Yarmouth and the Yarmouth Housing Authority worked together and issued a Request for Proposals (RFP) in 2009 for a feasibility study for senior rental housing as well as subsidized family housing. The feasibility study, funded by state Priority Development Funds, has been completed and included a market study, land/site analysis, and financial feasibility analysis. The consultants recommended 40 units (35 one-bedroom and 5 two-bedroom units) of senior housing and another 31 units of mixed one-, two- and three-bedroom apartments (total of 57 bedrooms) for families. Since the feasibility study, the Housing Authority has looked to expand the project to 100 units. In 2011 the Authority issued a Request for Qualifications (RFQ) and is currently reviewing qualified responses.
- *John Simpkins Elementary School*
The Simpkins School project involves the redevelopment of an existing 1930 three-story brick school building with two-story wood buildings at the ends of the main building, encompassing about 42,000 square feet. The property, located at 134 Main Street in South Yarmouth, is a National Register site and is currently owned by the Town of Yarmouth to be conveyed for the purpose of producing affordable rental housing for seniors to the selected developer, the Stratford Capital Group. The project will add almost another 40,000 square feet (in a 14,000 square foot footprint) to the rear of the existing building, resulting in an 81,200 square foot building, creating 76 affordable rental units for households age 55 and over. In addition to the housing, the project will add new parking spaces, upgrade site drainage and install a new on-site septic system. Considered as a Development of Regional Impact (DRI) by the Cape Cod Commission, as it proposes 30 or more residential units, the project was approved as a “project of community benefit”. The project’s application for financing, including Low Income Housing Tax Credits, was not approved by DHCD during the last funding round and the developer will submit another application for the next Notice of Funding Availability (NOFA). The developer is expected to move forward with the necessary regulatory approvals through the Zoning Board of Appeals in March 2011.
- *Motel Bylaw Projects*
Yarmouth’s Motel Bylaw, in concert with the Cape Cod Commission Growth Incentive Zone (GIZ), provides incentives for the redevelopment of under-performing motels along Route 28 into mixed-income developments. The Town is also providing predevelopment funding (sourced by the Community Preservation Act) of up to \$40,000 per project for four (4) projects to further encourage this type of development with the dual goals of improving the Route 28 corridor and creating affordable housing. The Town is currently providing technical and/or financial assistance to six (6) motel owners

to redevelopment/rehabilitate their properties into residential or mixed-use with a percentage of affordable deed restricted units.

One of the largest motel bylaw projects proposed is the complete redevelopment of the Irish Village properties, encompassing 10 acres of contiguous parcels along Route 28. The most recent proposal was a mixed-use development with “top of the shop” housing. As proposed, the project was a mix of rental and homeownership units. Utilizing the highest density allowed in the motel bylaw of 16 units per acre, at least 25% of the total number of dwelling units will be deed restricted as affordable.

In addition, the Town is currently working with the owner of Neptune Lane, a building that was once part of a motel property but no longer has a motel license and thus cannot use the Motel Bylaw. The owner proposes to bring the property into compliance with zoning using a LIP Chapter 40B Comprehensive Permit.

It is worth noting that the Yarmouth Building Commission had brought zoning enforcement actions against several of these “motel” properties, alleging that the use of these buildings for multi-family housing violates the Yarmouth Zoning Bylaw. As a result, several property owners have approached the Town to convert their properties using the Motel Bylaw or Chapter 40B in order to moot the issue and save all parties substantial litigation costs, while adding affordable units to the Town’s Subsidized Housing Inventory.

- *Great Island Apartments*
Using the Revitalization Overlay Architectural District Bylaw (R.O.A.D.), the owner of six duplexes in the District has proposed to raze the aging duplexes and replace them with three multi-family buildings totaling 24 rental apartments. As approved, the proposal includes the provision of 50% minimum deed restricted affordable units.
- *Regional Ready Rental Program*
Partnering with the Cape Cod Commission and the surrounding towns of Barnstable, Chatham, Dennis and Harwich, the Town’s Affordable Housing Trust is participating in the Regional Ready Rental Program. This LIP approved program ensures that smaller affordable rental projects are fairly marketed at initial lease-up and at subsequent vacancies. It is hoped that existing rental units not currently on the SHI, such as Yarmouth’s existing affordable accessory apartments, will become eligible at future vacancies with this program.

OWNERSHIP HOUSING

- *Affordable Lots Program*
The Affordable Lots Program permits the development of affordable housing on lots otherwise deemed unbuildable. Utilizing the Affordable Lots Bylaw, two local non-profit developers of affordable homeownership units have pursued Town acquisition funds:

Our First Home, Inc.

The May 2010 Annual Town Meeting allocated \$100,000 of Community Preservation Funds to Our First Home, Inc. to acquire previously unbuildable vacant lots made buildable under the recently-adopted Affordable Lots Bylaw for the purpose of creating deed restricted affordable homeownership units serving households earning less than 80% of area median income.

Habitat for Humanity of Cape Cod

A total of \$240,000 in CPA funding is on the warrant for the 2011 Annual Town Meeting to create six (6) to eight (8) single-family affordable homes on lots deemed unbuildable using the Town's recently-adopted Affordable Lots Bylaw, and selling them to purchasers earning less than 65% of area median income. Utilizing its own Land Committee, Habitat for Humanity will research and find parcels suitable for development.

- *Housing Buy-Down Program*

This program allows the Affordable Housing Trust to take advantage of the current lull in the real estate market and acquire existing homes scattered throughout established residential neighborhoods, undertake needed repairs or upgrades to make sure that the homes meet high construction standards, require deed restrictions to insure long-term affordability and compliance with state requirements under the Local Initiative Program (LIP), and resell the homes to qualified purchasers based on affordable prices and affirmative fair housing marketing. Eight (8) homes have been acquired and resold thus far and another three (3) are in the process. In addition, the Affordable Housing Trust is pursuing \$430,000 in additional funding at April 2011 Annual Town Meeting for at least four (4) more Buy-Down units.

- *Affordable Homeownership Rehabilitation Program*

Additional funding is available through the Town's recently established Affordable Homeownership Rehabilitation Program that provides up to \$5,000 in CDBG funding in the form of no interest deferred loans to low-income homeowners of deed restricted properties. Habitat for Humanity of Cape Cod has proposed partnering with the Town to rehabilitate existing housing units that serve low-income households. Priority will be given to the existing deed-restricted homes in the German Hills and Setucket Pines neighborhoods, but could be expanded to non-deed-restricted units in Yarmouth serving low and moderate income households. Habitat has applied for a JTECH grant that would support eleven (11) youth, age 18 to 24, in the Youth Build Program, a dedicated education, skills building and jobs program.

- *Homeownership Preservation Program*

CDBG or Affordable Housing Trust funding will be made available to maintain existing affordable homeownership units with deed restrictions that pull units outside of LIP affordability requirements upon resale or intervene on foreclosed properties.

- *Septic Pumping and Repair Program*

This program has received CDBG funding since 1999 in recognition that Yarmouth is located in an environmentally sensitive region reliant on a sole source aquifer for its public drinking water, and has consequently adopted strong regulations aimed at

reducing ground water pollution from sewage and hazardous materials. The services required to meet these regulations are very expensive, especially for lower income homeowners. This program provides 15-year forgivable loans to owners earning at or below 80% of area median income. The Town's Health Division has administered the program with assistance from the Department of Community Development.

The Septic Repair Program, while time-intensive, has been considered a big success as it provides income-eligible households with much needed financial assistance, and has, in the past, bolstered the Town's Subsidized Housing Inventory. Changes to state LIP regulations no longer permit housing units assisted through this program to be included on the SHI, however Yarmouth remains committed to address the septic and sewer needs of low and moderate-income households and has committed to fund the program.

- *Mill Pond Village*
Mill Pond Village, a Chapter 40B project, was approved for 136 units in 2003 after being appealed to the Housing Appeals Committee. Due to financial problems, only 60 of the 136 permitted homeownership units were built. MassHousing, the mortgage lender, foreclosed on the property in 2008 and has since been looking for opportunities to sell the development rights for the remaining 76 units. This situation is creating hardship for those interested in selling as prospective purchasers have been experiencing difficulties accessing financing as the project is not completed. MassHousing recently signed a Purchase and Sales Agreement with a developer with a target date of June 2011 to close on the property. There is potential for additional affordable units at the site if the project is restructured.

C. PRIORITY HOUSING NEEDS

Based on the documented demographics, housing characteristics, and trends summarized in Sections II. A and B of this Housing Needs Assessment, a number of conclusions can be made based on what gaps exist and are projected to grow between local needs and available resources. These findings suggest that certain populations should be targeted for assistance to help them afford to live and remain in the community, which are described below. Moreover, the findings also suggest a mix of affordable housing types that should be built, providing the basis for production goals related to both rental and homeownership opportunities.

1. Target Populations¹⁶

The Town will target its affordable housing resources to meet the needs of these important populations:

- *Senior Housing*

The Town of Yarmouth's population continues to exhibit higher-than-average proportions of residents age 65 and older. Yarmouth's seniors comprised 30.1% of the population in 2000, while the whole Cape had 23.1% and the state had only 13.5%. Projections indicate the older adults will continue to increase. For example, the frail elderly, age 85 or older, are expected to increase from 608 in 2000 to 1,022 by 2014.

The growth in the senior population is due mainly to aging in place and in-migration. Those seniors who choose to move into Yarmouth will have the resources to purchase or rent at the prevailing market prices, as they have had all along. The vast majority of senior-headed households in Yarmouth were homeowners and therefore likely to be adequately housed. Many in the senior population purchased their homes long ago or with cash from the sale of another property and thus their current housing costs may be relatively low. Therefore, it would be erroneous to conclude that seniors have the greatest need for affordable housing simply due to their growing numbers and lower incomes, which have always been lower than those of the working population. Nevertheless, increasing property taxes, insurance costs, and energy bills may be severely taxing those seniors who own their homes, particularly those on fixed incomes.

Lower income seniors may need alternative living arrangements, but are challenged to find suitable options to their hard-to-maintain single-family detached home at prices they can afford. Such alternatives typically include an apartment, condo, or congregate or assisted living situation. Thus future affordable housing should include a mixture of housing types, including a mixture of rental and ownership options, choice in housing styles, price ranges, and related services. Additionally, a portion of all new affordable housing should provide supportive services and be barrier-free in order to enable seniors to continue to live independently for as long as possible.

- *Working Families*

Young couples and families with children represent a vitally important segment of the population. Not only do families include the future citizens of the Town, but also they are largely responsible for the function of the community through various employment and business venues. This is not to say that seniors or any other populations do not

¹⁶ Also refer to needs listed as part of outreach as part of the Consolidated Planning process included in Section V.B.1.

contribute. However, it must be recognized that the majority of the workforce is part of the family population. Families also include female-headed households of which 2,103 households had no partner present and 1,234 of these included children. The total count of family households was 13,005 in 2000, including both senior and younger couples.

Median family income was higher than median household income, largely due to the likelihood of two adults working in most family households. However, the 2006 median family income could not support the purchase of the median priced Yarmouth home in 2006 while paying 5% down and keeping their housing costs under 30% of monthly income, which continues to be the case. However, the sudden loss of housing or income could quickly "unhouse" any family and homelessness becomes an instant possibility for those unable to leave the area for more affordable housing opportunities.

While family income was typically higher than non-family income, certain families with children had 1999 incomes below the poverty level. Some 477 children under 18 years of age lived in family households below the poverty level in 2000. More than half of these households (200) were female-headed with no partner present. Such households are particularly challenged in meeting housing costs because of only one wage earner and the typically lower wages paid to female workers, particularly in a community with a dominant service-oriented economy. The 1999 median earnings for male full-time year-round workers in Yarmouth was \$37,090, while only \$26,741 for female full-time year-round workers. Housing choice is further limited by the significantly lower 1999 median family income in Yarmouth (\$48,148) compared to all of Cape Cod (\$54,728) and Massachusetts (\$61,664).

- *Younger Individuals*

There were about 3,000 non-seniors (under age 65) householders living alone and nearly 1,200 additional non-family households (unrelated people living together not related by blood or marriage). Median income data from the US Census Bureau's 2005-2009 American Community Survey (ACS) suggest that the median income of non-family households was \$33,311, approximately 65.4% of the median income for all households of \$50,927. Additionally, ACS data estimates that there were 157 householders in non-family households who were under the age of 44 and living below the poverty level. This data suggests that single younger individuals are likely to have lower incomes and struggling to find affordable housing.

- *People with Disabilities*

Yarmouth continues to house a number of individuals with various special needs. These housing needs are typically met in group home settings, which are required by state law to be treated under zoning as single-family uses. Programs to develop and operate such housing should continue to be encouraged as the need for them will grow with the general population.

For Yarmouth in 2000, people with a physical disability were about 12% of the noninstitutionalized population over age 5. This is higher than the Barnstable County percentage of 8.4% and the state rate of 7.1%. There were no unusual concentrations of this population among the three villages. However, it is not known how adequately

any of these residents were housed in 2000, what their household incomes were, or whether their disabilities required physically accessible housing. Not surprisingly, 42.5% of residents age 65 and over reported a physical disability in 2000, whereas 9.1 % of the population age 21 to 64 had a physical disability in 2000.

It can be estimated that the disabled population that could not work was probably challenged to keep or find housing. While Social Security and/or Supplemental Security Income would likely be the main source of income for most of these households, together with other potential sources, there would be implicit limitations in competing in the housing marketplace not just due to prevailing high rental prices but also to the scarcity of affordable, barrier-free units. Due to the higher proportions of disabled people in the Town population, this Housing Plan suggests that at least 10% of new affordable units should be barrier-free and made available to disabled Yarmouth residents in need of such housing on a preferential basis.

- *Needs of the homeless or those at-risk of homelessness*
While formal homeless facilities are not available in Yarmouth and are most readily available in Hyannis, a village of the Town of Barnstable, the issue of homelessness remains as individuals and families continue to utilize a number of Yarmouth's motels as housing in the absence of anywhere else to go. Anecdotally, the Town is well aware that many households live paycheck to paycheck and are oftentimes "one paycheck away" from homelessness. Also, given the sizeable elderly population that exists in Yarmouth, local officials are aware of the extraordinary cost that home maintenance presents to homeowners. While these households may own their own home, sizeable maintenance projects that are often necessary (such as septic upgrades) and mandates, are oftentimes unaffordable. Housing options and programs to support their continued ownership need to exist for these populations. Moreover, foreclosures levels are among the highest in the state.

2. Rental Housing Needs

Affordable rentals are urgently needed in Yarmouth based largely on the concentration of service-sector jobs and the related high degree of turnover in these jobs. At least 1,000 renter-occupied households moved in within a year and three months before the 2000 Census, representing about one-third of all renter-occupied units in 2000. Such transience is a by-product of local and regional economic conditions, which are largely influenced by seasonal work cycles. The economy not only generates housing turnover but also is also dependent upon housing availability to accommodate the ever-changing workforce.

Data also indicates that existing renters are paying too much for their housing. For example, in 2000, approximately 34% of renter households between age 25 and 34 and 35% of renter households between 35 and 64 were considered rent burdened as they paid more than 30% of their income on housing expenses. A larger proportion of seniors were rent burdened as about half of those 65 years of age or older who rented paid too much for housing.

Prevailing market conditions such as limited land supply, density limitations, zoning limitations, and a current glut of higher priced rentals have further reduced the already low interest in creating new market rate rental housing. Without new rental stock (i.e. natural competitive forces), there is little incentive for attention to property maintenance since a limited rental

supply can command market prices even when units are in poor condition. On the other hand, too much new market rate rental housing can lead to rent decreases that also destabilize the market and may encourage owners to quickly remove their rental units from the market.

The new rental stock needs to meet the needs of the more vulnerable and less affluent segments of the Town's population. Additional affordable rental units will probably not impact market rate rental prices very much since there are distinct differences among the target populations for each. Furthermore, as the current rental stock continues to age, demand by all prospective apartment dwellers for newer and renovated units will serve to support the rental market.

3. Homeownership Needs

To meet the needs of families and professional/managerial non-family households, affordable homeownership opportunities should also be a priority. The majority of occupied Yarmouth housing units has long been owner-occupied, and the proportion of owner-occupied units to total units has increased over time. This was due to ongoing high production of owner housing and relatively low production/retention of rental housing. Clearly, owner-occupancy will remain the predominant form of tenure for the foreseeable future. Moreover, in balancing the need for homeownership versus rental, it is understood that when an affordable ownership unit is created, the household that moves into it may move from an affordable rental, thus homeownership helps create rental opportunities as well.

Affordable ownership opportunities for current residents who rent or even own their own homes are becoming increasingly more limited as market forces continue to focus on the higher end market. It is advisable to encourage homeownership as this form of tenure is most likely to support a fairly stable population that has a vested interest in supporting and preserving the quality of life in town, based on historic indicators. Retaining workers in the community is dependent in large measure on the ability of new households to form and raise families reasonably close to employment centers.

While the gap between the affordable price of a home in Yarmouth and the market price has dropped over the last five years, there is still an affordability gap of \$37,500 for a household of four earning less than 80% of Area Median Income. This indicates a continued need for affordable ownership units. Moreover, as the estimated average household size in Yarmouth was 2.07 in 2009, down from 2.11 persons in 2000, this trend towards smaller households strongly suggests a need for smaller unit sizes.

Finally, because 46.9% of Yarmouth's housing units were built prior to 1970, many homeowners are likely experiencing deferred maintenance problems including building code violations, failing septic systems, and/or lead-based paint. Consequently, programs that provide technical and financial assistance to upgrade Yarmouth's aging housing stock are important.

4. Mix of Housing

Yarmouth's housing stock includes a 75 to 25 percent ratio of homeownership units to rentals. This ratio is almost the reverse in the Subsidized Housing Inventory where about two-thirds are rental units (including special need rentals) versus one-third homeownership units in recognition of the relative shortage of affordable rental units available not only in Yarmouth but throughout the Cape.

Based on demographic data and community priorities, affordable housing creation should roughly adhere to the breakdowns presented in Table II-20. In terms of unit production, approximately 75% of the units should be targeted for rental. This goal responds to the strong need for workforce housing in Yarmouth and the Cape in general, where affordable housing for service workers is scarce. This breakdown also acknowledges that most state and federal funding is for rental development, not homeownership. The Town will have to rely on local funds such as CPA, CDBG and Housing Trust funding to support homeownership projects and is doing this through several initiatives including the Buy-Down Program, Affordable Homeownership Rehabilitation Program, and Affordable Lots Program with Habitat for Humanity and Our First Home, Inc.

Within these categories, 25% of the smaller units should have a preference for seniors (a growing population segment) and at least 10% of units (spread among unit sizes) should be expressly designed for and constructed for residents with disabilities, with handicapped adaptability and/or supportive services. This recommended housing mix is intended to reflect town-wide housing production needs. It is not expected, nor recommended, that any one project fulfill all given category. For example, the Town would not expect one project to supply all of the two bedroom homeownership units. It should also be noted that housing targeting households with incomes of less than 30% of area median income requires multiple layers of deep subsidies.

Table II-20: Projected Mix of Housing Types

Yarmouth 5-Year Production Distribution Goals				
Homeownership Units – 25%			Rental Units – 75%	
Homes Needed	Household Income		Homes Needed	Household Income
100%	≤80% of Median		10%	≤30% of Median
			55%	≤60% of Median
			35%	≤80% of Median
Homes Needed	# of Bedrooms		Homes Needed	# of Bedrooms
10%	1 bedroom		35%	1 bedroom
60%	2 bedroom		40%	2 bedroom
25%	3 bedroom		20%	3 bedroom
5%	4 bedroom		5%	4 bedroom

III. OBSTACLES TO PRODUCING AFFORDABLE HOUSING

It will be a great challenge for the town of Yarmouth to create enough affordable housing units to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development. In addition to describing these challenges, this Plan highlights remediation measures to be taken to help resolve barriers.

A. ZONING

As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Yarmouth's Zoning Bylaw embraces large-lot zoning of 25,000 to 40,000 square feet. Low housing density severely constrains the construction of affordable housing.

There are, however, several zoning provisions included in the existing Bylaw, most adopted relatively recently, that are meant to potentially promote more affordable units that are summarized in Section V.A.

Mitigation Measures

The Town has continued to facilitate the development of affordable housing through modifications to the zoning bylaw including adjustments to the Motel Bylaw (April 2006, the Town adopted a zoning bylaw that would permit by right and by special permit, the redevelopment of motel properties into mixed-use or multi-family housing in the B2 business zone in town). As part of this bylaw, the inclusion of some affordable housing is required (a sliding scale dependent upon density is utilized). These affordable housing units will contribute to the Town's official Subsidized Housing Inventory. In October 2007, the Town was able to obtain regulatory relief from the Cape Cod Commission, through approval of a Growth Incentive Zone (GIZ), which will facilitate the redevelopment of motel properties by eliminating the need for Commission review in most cases.

To further direct development to the most appropriate places and in accordance with smart growth principles, the Town has created a land use vision as part of the Cape Cod Commission's Regional Policy Plan that plans growth in designated local economic centers and villages and away from resource protection areas. Appendix 2 includes a map of this land use vision.

The Town has also successfully adopted an inclusionary zoning bylaw that requires one (1) of every five (5) housing units that are developed be affordable under state LIP requirements; a non-conforming lots bylaw that permits the development of affordable housing on otherwise unbuildable lots; and general affordable housing standards (i.e. schedule of development, administrative requirements).

This Housing Plan includes a number of additional strategies that are directed to reforming local zoning regulations, making them "friendlier" to the production of affordable housing and smart growth development. These include exploring the adoption of 40R and 40S, considering TDR, promoting mixed-use development in village centers, and encouraging a wider range of housing options (see Section V.A for details on these strategies).

B. ENVIRONMENTAL CONDITIONS

Yarmouth and Cape Cod in general, share important natural resources that not only sustain a robust tourist industry, but are critical to the ecological well-being and environmental sustainability of the region. These significant resources include, but are not limited to, the following:

- Re-charge areas to existing and future public water supply wells.
- Re-charge areas to coastal embayments and inland ponds.
- Inland wetlands including cranberry bogs.
- Coastal wetlands including northside areas, Chase Garden Creek, Parkers River, and southside.
- Inland lakes and ponds including Long Pond and Swan Pond.
- Coastal embayments including Cape Cod Bay, Lewis Bay, Nantucket Sound, and the Bass River.
- Near-shore marine fisheries and their habitats including shellfish areas.
- Private open spaces including golf courses and camps.
- Public open spaces including golf courses, beaches, and recreation areas.

These important natural assets need to be protected to the greatest extent possible.

The impacts of any new development must be identified as to how they affect the environment and what actions might be required to mitigate problems. While regulations to protect the environment (e.g., wetlands, aquifers, septic systems) are important and essential, they nevertheless present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing.

Mitigation Measures

Fundamental to this Housing Plan are the housing goals and objectives that provide a framework for producing affordable housing in Yarmouth. One of the housing objectives is that the distribution of affordable units should be reasonably even, in terms of quantity and type, among the environmentally suitable residential areas of the Town. Furthermore, housing goals include encouraging housing development patterns that preserve open space and natural features.

In recognition that Yarmouth is located in an environmentally sensitive region and reliant on a sole source aquifer for its drinking water, the Town has adopted strong regulations aimed at reducing ground water pollution and has administered a Septic Pumping and Repair Program to income-eligible property owners who find it difficult to afford to meet these regulations.

Also, housing strategies are largely oriented to actions that will promote smart growth that concentrates development in appropriate areas or existing structures such as adaptive reuse, the redevelopment of motels, affordable accessory apartments, conversion of existing housing, and mixed-use development (see Section V.C for details on these strategies).

Moreover, zoning-related strategies are included in the Plan to better direct development that includes the development of a land use vision as part of the Cape's Regional Policy Plan to promote development in designated areas of town while working towards protecting other

more environmentally sensitive ones (see Appendix 2 for map). The Plan also includes the exploration of the Transfer of Development Rights (TDR) approach to further promoting smart growth.

C. INFRASTRUCTURE

Yarmouth and the Cape in general are faced with a barrier to affordable housing in that there is a widespread wastewater problem that is exacerbated by the environmental sensitivity of the Cape as described above. The Town does not have a municipal sewer and treatment system and therefore residents rely on individual septic systems or, in a few cases, shared private treatment facilities.¹⁷ The septage from these septic systems is shipped via tanker trucks to the Yarmouth/Dennis Septage Treatment Facility built through an Inter-municipal Agreement between the two towns. This facility provides treatment to a variety of towns and haulers. However, the Towns of Yarmouth and Dennis may need to consider restricting use to residents only and/or phasing in a municipal system, particularly in certain areas such as Route 28.

Yarmouth faces further restrictions in that a great proportion of its land mass sits on top of a Zone II well of contribution. Under Massachusetts' Title V regulations, this fact limits housing development to four (4) bedrooms per acre (each bedroom requires 10,000 square feet of land). That said, the only way to increase density is to provide some kind of costly treatment system, which is certain to act as a barrier to affordable housing as the costs of such a facility require a relatively large number of housing units to be financially feasible.

Finally, having adopted the Cape Cod Land Bank Act in 1998 and subsequently adopting the Community Preservation Act in 2005, the Town of Yarmouth has actively pursued the purchase of land for conservation purposes. While a worthy cause, this has certainly further limited land for affordable housing development. At present, most areas of town are serviced by the public water supply consisting of 24 wells. Residents of Great Island, in the southwest area of Yarmouth, as well as in some other limited areas, must rely on individual supply wells. The current system is projected to become inadequate some time after 2010, and options for adding water supply in Yarmouth are limited.

Mitigation Measures

The Town is planning to invest heavily in adding sewer services. It has completed its Comprehensive Wastewater Management Plan (CWMP), which is under state MEPA review. The actual development of a wastewater treatment system is estimated to cost \$277 million to occur in five (5) phases. The first phase will be targeted to properties along Route 28 and is estimated to cost \$55 million. Funding for the project has been included in the DEP's 2011 Intended Use Plan and the Town has planned to seek Town Meeting approval for this funding before the end of June 2011.

In the interim, it will be important for any new affordable housing development to address these infrastructure constraints, water and septic issues in particular, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment.

¹⁷ There are currently five privately owned and operated waste treatment facilities that serve the following developments: Buck Island Village Condominiums, Mayflower Place Condominiums, Stop 'n Shop Supermarket, Mill Pond Village, King's Way Condo Village, condominiums at the Yarmouth/Barnstable town line.

Also, as noted above, the Town has adopted strong regulations aimed at reducing ground water pollution and has administered a Septic Pumping and Repair Program to income-eligible property owners who find it difficult to afford to meet these regulations.

D. SCHOOL ENROLLMENT

As is the case throughout most of the Cape, the Dennis-Yarmouth School District has experienced a decline in school enrollment. This is related to a decreasing number of families, largely the result of higher living expenses, including a dwindling supply of affordable housing and job opportunities. Over the last decade the District lost almost 1,300 students, going from an enrollment of 4,483 students in 2000 to 3,199 in 2010. In June 2006, the John Simpkins Elementary School was closed.

Buildout projections that were sponsored by the state's Executive Office of Environmental Affairs in 2001, indicate that the number of students will increase only by 311 at buildout. These projections were based on existing zoning and are not tied to any future date. However, given the declining enrollments and the trend towards increasing numbers of non-family and smaller households, it is unlikely that Yarmouth will encounter a surge in new enrollments that would put significant stress on the current school system and facilities in the near future.

Mitigation Measures

This Housing Production Plan proposes a mix of housing types and unit sizes to accommodate the range of housing needs in Yarmouth including those of seniors, empty nesters, single individuals, special needs populations, and others who require smaller units and are less likely to have children who may place burdens on the school system. The Plan also recommends exploring Chapter 40S that offers funding to cover increased school costs associated with units created as part of a Smart Growth Overlay District under 40R (see Section V.A.3). Nevertheless, the Plan also proposes the production of first-time homebuyer opportunities that are likely to attract young families with children that will add to school enrollments as well as the local workforce.

E. TRANSPORTATION

As is the case with most communities on Cape Cod, traffic congestion is an ongoing concern in Yarmouth, particularly during the summer months when the town's population swells with visitors, almost doubling in size. The Town continues to make roadway improvements and study capacity enhancement actions to improve the operations, safety and aesthetics of its major roadways, especially Route 28.

Moreover, the Town has limited access to public transportation. In the mid-Cape region, public transportation includes local fixed route services provided by the Cape Cod Regional Transit Authority. A demand-response system is also provided by the Yarmouth Easy Shuttle (YES) that operates during most of the summer. Intercity transportation is available through the Plymouth Brockton and Bonanza bus lines. This limited service requires residents to have access to automobiles, further increasing the cost of living in Yarmouth and presenting a barrier to those low- and moderate-income residents who are more likely to feel the financial strains of owning and maintaining a car.

State buildout projections, completed in 2001, indicate that the town will need to accommodate 33 miles of new roads based on population growth.

Mitigation Measures

The Town will continue to study opportunities for easing traffic congestion and has commenced work on transportation issues confronting the Route 28 corridor. The Town will also pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems. One of the strategies included in this Housing Plan is to encourage mixed-uses through the redevelopment of the village centers (see Section V.A.1 for details), through a possible 40R smart growth overlay district (see Section V.A.3) and along the Route 28 corridor as part of the Motel Bylaw, all of which have the potential for reducing some reliance on the automobile.

F. AVAILABILITY OF SUBSIDY FUNDS

In order to meet production goals, subsidies will be needed beyond what is available locally for affordable housing preservation and production as well as rental assistance. Subsidies have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Local funding such as CPA, CDBG and Affordable Housing Trust funds must be invested strategically to leverage other sources of financing to the greatest extent possible.

Mitigation Measures

Yarmouth approved the *Community Preservation Act* in January 2005, and the Board of Selectmen formally appointed its Community Preservation Committee in April 2005. This Housing Plan provides guidance on the use of Community Preservation Funds for affordable housing initiatives that will enable the Town to support the production of new affordable units. The Community Preservation Act (CPA) provides Massachusetts municipalities with a dedicated income stream of up to 3% local property tax assessment with a state match funded through transactions at the Registry of Deeds. CPA funds may be spent for affordable housing, open space, historic preservation and, to some extent, recreation.

Since its inception in 2005, the Town's Community Preservation Fund has allocated funding for the following affordable housing projects:

- Housing feasibility on Town-owned land (\$30,000)
- Motel Predevelopment Funds (\$150,000)
- Affordable housing at Brush Hill Road (\$250,000)
- Long Pond Plaza Rehabilitation of Yarmouth Housing Authority property at Long Pond Plaza (\$369,000)
- Municipal Affordable Housing Trust Fund (\$908,000)
- Affordable Housing Buy-Down Program (\$1,465,600)
- Funding for the development of affordable elderly rental housing at the Yarmouth Housing Authority's Forest Road property (\$1 million)
- Funding for the purchase on non-conforming lots to be used for the development of affordable housing by Our First Home, Inc. (\$100,000)

An additional \$906,000 in CPA funding is being requested for approval at the 2011 Annual Town Meeting for the following projects:

- *Habitat for Humanity Affordable Lots*
A total of \$240,000 is requested to create six (6) to eight (8) single-family affordable homes and sell them to purchasers earning less than 65% of area median income. Utilizing its own Land Committee, Habitat for Humanity would research and find parcels suitable for development. The CPA funding is expected to leverage \$1,072,800 in other sources of financing.
- *Affordable Housing Trust*
An additional \$236,000 is being sought to further capitalize the Affordable Housing Trust, \$167,000 from the Community Housing Reserve and \$69,000 from the Undesignated Fund Balance. This funding will further the Housing Trust's efforts to create, support, and retain existing affordable housing units. This will enable the Housing Trust to take advantage of unexpected opportunities such as a unique acquisition opportunity and resolve unexpected situations (such as foreclosure).
- *Housing Buy-Down Program*
An additional \$430,000 is requested to further support the Affordable Housing Trust's Buy-Down Program, involving the acquisition, rehabilitation, and resale of single-family affordable homes to households earning at or below 80% of area median income.

Priority uses of CPA funding include the redevelopment of existing residential and commercial (including lodging facilities) buildings into affordable housing, development of new housing, and first-time homebuyer programs.

The Town also established a Municipal Affordable Housing Trust in April 2007 and has capitalized it with CPA funding on an annual basis, with almost \$1 million invested to date. The Trust will be able to raise funding from other sources as well.

Yarmouth is also fortunate to have CDBG funding available but as the twelfth (12th) smallest entitlement in the country, it is a challenge to evaluate the broad community development needs of the community and to prioritize funding, program development and program administration accordingly. New funding that is available to support programs is only about \$100,000 annually as noted in Table III-1.

Consolidated planning efforts project a total of 55 affordable housing units will be developed between program years 2010 and 2014. Affordable housing units may be created through rehabilitation of existing housing stock, acquisition of land for the development of affordable housing, development of affordable accessory apartment units, or through down-payment assistance.

It will be important for the Town to invest its local resources judiciously and leverage limited local funding to the greatest extent possible. The Town will, nonetheless, need further support from state resources and will continue to file Commonwealth Capital applications, as required, to be in a competitive position to secure additional state subsidy funds to bolster its affordable housing agenda.

Table III-1: Community Development Block Grant Funding, FY2010 to FY2014

Community Development Block Grant Program						
2010 - 2014 Consolidated Plan						
Source of Funding/						Total
Type of Expenditure	PY2010	PY2011	PY2012	PY2013	PY2014	2010 - 2014
Carryover from Prior Years	\$106,109.83					
Program Year Grant	\$149,782.00	\$149,782.00	\$149,782.00	\$149,782.00	\$149,782.00	\$748,910.00
Program Year Program Income	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 30,000.00
Total Available	\$265,891.83	\$154,782.00	\$154,782.00	\$ 154,782.00	\$ 154,782.00	\$ 885,019.83
20% admin	\$ 31,956.40	\$30,956.40	\$30,956.40	\$30,956.40	\$30,956.40	\$155,782.00
15% public service	\$23,967.30	\$23,217.30	\$23,217.30	\$23,217.30	\$23,217.30	\$ 116,836.50
Available for Programming	\$209,968.13	\$100,608.30	\$100,608.30	\$100,608.30	\$100,608.30	\$ 612,401.33
Blight	\$10,000.00	\$10,000.00	\$10,000.00	\$ 10,000.00	\$10,000.00	\$ 50,000.00
	1	1	1	1	1	5
Accessibility	\$75,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$135,000.00
	1	1	1	1	1	5
Affordable Housing	\$124,968.13	\$ 75,608.30	\$ 75,608.30	\$ 75,608.30	\$ 75,608.30	\$427,401.33
	15	10	10	10	10	55
Notes:						
Specific projects will be funded through a competitive grant application. Counts represent a <u>minimum</u> number produced.						

G. COMMUNITY PERCEPTIONS

Residents in most communities are concerned about the impacts that any new development will have on local services and quality of life, and many may also have negative impressions of affordable housing in general. Therefore, local opposition to new affordable developments is more the norm than the exception, and there has been vocal opposition to land use reforms and affordable housing in Yarmouth in the past. On the other hand, with high housing costs, community perceptions are beginning to tilt towards the realization that workforce housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness that is spurring communities such as Yarmouth to take a more proactive stance in supporting affordable housing initiatives.

Mitigation Measures

Yarmouth proposes the continuation of an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section V.B.1).

IV. HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) introduced the Planned Production Program in December 2002, in accordance with regulations that were meant to provide municipalities with greater local control over housing development. Under the Program, cities and towns were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.¹⁸ If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.¹⁹

Additional changes to Chapter 40B established some new rules.²⁰ For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Yarmouth will have to now produce at least 60 affordable units annually to meet annual production goals through 2010, still a daunting challenge. Moreover, this goal is likely to increase to about 62 units after the next decennial census count becomes available and future housing growth will continue to drive-up the 10% goal.²¹

Using the strategies and housing objectives summarized under Section V and priority needs established in Section II, the Town of Yarmouth has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year.

¹⁸ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

¹⁹ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

²⁰ Massachusetts General Law Chapter 40B, 760 CMR 56.00.

²¹ It should be noted, however, that all units in Chapter 40B rental developments count as part of annual production goals and the 10% state goal as opposed to only 25% for homeownership projects.

Table IV-1: Yarmouth Housing Production Program

	Strategies by Year	Affordable Units< 80% AMI	Workforce Units 80%-120% AMI or ineligible for SHI	Total # units*
Strategy	Year 1 – 2011			
C-4	John Simpkins School - Senior Rental	65		65
C-1	Capn Gladcliff (Motel Bylaw) - Rental	24		24
C-3	Wilfin Road - Rental	3		3
C-3	Accessory Apartment Program - Rental	2		2
C-3	Buy-Down Program - HO	3		3
C-5	Affordable Lots – HO	2		2
D-2	Septic Repair Program - HO		3	3
D-2	Homeownership Rehab Program -HO		2	2
D-1	Homeownership Preservation - HO		2	2
	<i>Subtotal</i>	<i>99</i>	<i>7</i>	<i>106</i>
	Year 2 – 2012			
	Covered under Year 1/certification			
C-2	Forest Road – Rental **	100		100
C-1	Neptune Lane (LIP Ch 40B) - Rental	24		24
C-1	Windrift (Motel Bylaw) - Rental	7		7
C-3	Accessory Apartment Program – Rental	2		2
C-2	West Yarm Rd (Town Owned Land) – HO	1		1
C-3	Buy-Down Program - HO	3		3
C-5	Affordable Lots - HO	2		2
D-2	Septic Repair Program - HO		3	3
D-2	Homeownership Rehab Program -HO		2	2
D-1	Homeownership Preservation - HO		2	2
	<i>Subtotal</i>	<i>139</i>	<i>7</i>	<i>146</i>
	Year 3 – 2013			
C-1	Irish Village (Motel Bylaw) – Rental/HO Mix	88		88
C-1	West Yarmouth Lodgings (Motel Bylaw) – Rental	16		16
C-5	Camp Street Lots (LIP Ch 40B) – Rental **	8		8
C-1	Great Island Apartments – Rental	24		24
C-3	Affordable Accessory Apt – Rental	2		
C-5	HECH Properties (LIP Ch 40B) **	6		6
C-3	Buy-Down Program -- HO	3		3
D-2	Septic Repair Program - HO		3	3
D-2	Homeownership Rehab Program -HO		2	2
D-1	Homeownership Preservation - HO		2	2
	<i>Subtotal</i>	<i>147</i>	<i>7</i>	<i>152</i>

	Year 4 – 2014			
	Covered under Year 1/certification			
C-1	Bass River Motel (Motel Bylaw) – Rental	16		16
C-1	Brentwood Motel (Motel Bylaw) – Rental	10		10
C-2	Town-Owned Land – Rental **	20		20
C-3	Affordable Accessory Apt – Rental	2		2
C-1	Village Cluster By-law/Mixed-use -- Rental	4		4
C-3	Buy-Down Program -- HO	3		3
D-2	Septic Repair Program - HO		3	3
D-2	Homeownership Rehab Program -HO		2	2
D-1	Homeownership Preservation - HO		2	2
C-5	Group home – Special Needs Rental	8		8
	<i>Subtotal</i>	<i>63</i>	<i>7</i>	<i>70</i>
	Year 5 – 2015			
C-4	Adaptive Reuse – Rental **	35		35
C-1	Motel Conversion (Motel Bylaw)	16		16
C-3	Affordable Accessory Apt – Rental	2		2
C-2	Town-Owned Owned Land – Rental **	4		4
C-5	Private Ch 40B **	8		8
C-3	Buy-Down Program -- HO	3		3
D-2	Septic Repair Program - HO		3	3
D-2	Homeownership Rehab Program -HO		2	2
D-1	Homeownership Preservation - HO		2	2
	<i>Subtotal</i>	<i>68</i>	<i>7</i>	<i>75</i>
	Total	516	35	549

* The totals include market rate units in addition to the affordable and workforce units.

** Denotes “friendly” 40B projects

HO indicates homeownership units.

V. HOUSING STRATEGIES

In addition to the broad housing goals listed in Section I, this Housing Production Plan is based on the following housing objectives approved by the Town of Yarmouth's Community Housing Committee:

- The Town must promote a balanced and sustainable community based on the principle that adequate affordable housing is key to community and individual health and well-being.
- Affordable housing is defined as housing that can be purchased or rented by households with incomes at or below 80% of the area median income while paying no more than 30% of income for housing, as well as other requirements included in Chapter 40B of Massachusetts General Laws.
- The distribution of affordable units should be reasonably even, in terms of quantity and type, among the environmentally suitable residential and commercial areas of the Town.
- The fabric and quality of community life in Yarmouth is preserved and improved by retaining an adequate mixture of income levels, work skills, talent, and participation in the community. To the greatest extent possible, at least fifty percent (50%) of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 120% of area median income – moderate-income “workforce” units –depending on project feasibility. It should also be noted that the Town can provide CPA assistance to subsidize units for those earning between 80% and 100% of area median income, commonly referred to as “community housing” units, however these units cannot be counted as part of the Subsidized Housing Inventory.
- The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements and funding availability.
- Projections are based on no fewer than four (4) units per acre. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible.
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section II.C) where about three-quarters of the units are directed to rentals. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including working families, seniors, disabled persons, seasonal workers, and single employed people to offer a wider range of housing options for residents.
- Vacancies of affordable units and regional ready renters and ready-to-buy lists shall be widely publicized to all segments of the community and region.

In pursuit of these housing objectives, Yarmouth has been active in developing an affordable housing program that has resulted in a number of successful initiatives consistent with its Housing Plan²² as summarized in Section 1 and Appendix 1. Major accomplishments have included the following:

²² The Housing Plan was submitted to DHCD in 2007, and while not finally approved, the Town has embarked on its implementation.

- Establishment of an Affordable Housing Trust in 2007, which has received \$908,000 in CPA funding for the purpose of creating affordable housing.
- Development of Town-owned land that supported a number of projects including Setucket Pines, German Hill, Brush Hill Road, and Old Cedar Lane and involving ultimately 64 affordable units.
- Funding for affordable housing creation and rehabilitation through the Town's Community Development Block Grant (CDBG) program such as the Buy-Down Program, Septic Repair Program, and Homeownership Rehabilitation Loan Program.
- Funding for motel redevelopment projects through the CPA-funded Motel Predevelopment Fund.
- Town meeting approval for elderly and family housing on Housing Authority property (conveyed to the Yarmouth Housing Authority by the Town of Yarmouth) that was previously designated for elderly-only.
- Establishment of a Buy-Down Program with more than \$1 million in CPA funding, resulting thus far in eight (8) market rate properties being acquired and converted to long-term affordability.
- Increased professional support through the hiring of consultants to develop new programs and manage the Buy-Down Program.
- Education and outreach to local providers and consumers of services related to affordable housing through workshops, annual housing summits, fairs, print materials, and technical assistance.
- Zoning changes including the Motel Bylaw and other affordable zoning bylaws including procedural requirements (i.e., no building permits until DHCD approves the LIP application), an affordable accessory apartment bylaw, a bylaw to permit affordable housing on non-conforming lots, and an aggressive (1 of every 5) inclusionary zoning bylaw.
- Development of positive and cooperative working relationships with state, local and regional housing professionals.
- Participation in a Mid-Cape Regional Ready Renters List that was recently approved by DHCD.

Of particular note and key to this Housing Plan are two (2) projects of substantial size that utilize Town-owned land including the Forest Road and John Simpkins School, described in Section II.B.6.

The strategies outlined below are derived primarily from the 2007 Affordable Housing Plan, refined by new state Housing Production requirements, and informed by the progress that has been made since 2007 in promoting affordable housing in Yarmouth, an updated Housing Needs Assessment, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed –Planning and Zoning Strategies, Building Local Capacity, Housing Production and Housing Preservation/Direct Assistance – and categorized according to priority as those to be implemented within Years 1 and 2, where some immediate action is required, and those within Years 3 to 5. A summary of these actions is included in Table I-2.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:²³

²³ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
 - Pass Village Center Bylaw (strategy V.A.1)
 - Revitalize commercial areas with housing (strategy V.C.1)
 - Explore TDR (strategy V.A.5)
 - Explore adoption of 40R/40S (strategy V.A.3)
- *Identification of specific sties for which the municipality will encourage the filing of comprehensive permit projects;*
 - Allow a wider range of housing types (V.A.4)
 - Continue to make suitable public land available for affordable housing (strategy V.C.1)
 - Continue to promote adaptive reuse (strategy V.C.4)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
 - Pass Village Center Bylaw (strategy V.A.1)
 - Amend cluster development bylaw (strategy V.A.2)
 - Explore adoption of 40R/40S (strategy V.A.3)
 - Allow a wider range of housing types (V.A.4)
 - Explore a property tax exemption for year-round rental units (V.A.7)
 - Revitalize commercial areas with housing (V.C.1)
 - Convert existing housing to affordability (V.C.3)
 - Promote adaptive reuse (V.C.4)
 - Continued promotion of Motel Bylaw as shown in production goals (Table IV-1)
 - Develop scattered sites (V.C.5)
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
 - Continue to make suitable public land available for affordable housing (see strategy V.A.2)
- *Participation in regional collaborations addressing housing development*
 - Help current and prospective homeowners access housing assistance (see strategy V.D.3)
 - Continued participation in the Barnstable County HOME Consortium and Mid-Cape Ready Renters List

It will be important to also insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) and administered by the state's Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used. Through its Community Housing Committee, the Town has also developed local guidelines for affordable housing proposals, referred to as Affordable Housing Standards, to aid developers in the predevelopment process.

In addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are being developed through some local action including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the city or town; and/or
- Provision of land or buildings that are owned or acquired by the city or town and conveyed at a substantial discount from their fair market value.

The Town is fortunate to have professional support to not only insure that all affordable units meet state requirements, but to also implement and administer housing policies, programs and projects including a Department of Community Development and consultants to administer the Town’ Affordable Housing Buy-Down Program

It should be noted however, that a major goal of this Plan is not only to strive to meet the state’s 10% goal under Chapter 40B, but to also to serve the range of local housing needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include units now accessing the Septic Repair Program or mixed-income housing that includes “community housing” or “workforce housing” units)²⁴.

Within the context of these compliance issues, local needs, existing resources, community surveys, affordability requirements and housing goals, the following housing strategies are proposed. **It is important to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels.** Moreover, these actions present opportunities to judiciously invest funding from CDBG, the Yarmouth Affordable Housing Trust Fund and/or CPA to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, modify or create new local zoning provisions and development policies, help preserve the existing affordable housing stock, build local capacity, and provide direct assistance to qualifying owners and renters.

A. PLANNING AND REGULATORY STRATEGIES

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town’s Zoning Bylaw, and new tools will be required to capture more affordable units and expeditiously move development forward to completion.

The Zoning Bylaw includes minimum lot requirements ranging from 25,000 to 40,000 square feet as well as frontage, setback and other requirements that may not be conducive to

²⁴ Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.

affordable housing. This creates the likely need for regulatory relief for most residential development that includes affordable units, possibly through the “friendly” comprehensive permit process that overrides local zoning.

The Town has in fact made some significant progress in reforming local zoning through the passage of a number of new bylaws or regulatory policies, most of which were part of the 2007 Affordable Housing Plan, including the following:

- A Motel Conversion Bylaw meets two local community development needs – the need for affordable multi-family housing and the need to redevelop under-performing properties by allowing the conversion of motels to permanent housing under specific conditions, including the provision of affordable housing. The bylaw provides Route 28 motel owners with a viable alternative to Chapter 40B development through the ability to develop motel properties by-right into stand alone multi-family housing or mixed-use development.²⁵
- The use of the Motel Bylaw has been promoted by financial assistance offered through a Motel Predevelopment Fund, initially established with \$150,000 in CPA funding. Grants of up to \$40,000 may be awarded to qualified sponsors of motel redevelopment projects on Route 28. Grants are in the form of a zero interest, deferred loan that is forgivable after five (5) years.
- Adoption of an *Affordable Housing Bylaw* that established local requirements for affordable housing.²⁶
- *Inclusionary zoning* that requires any residential development of greater than four (4) units to provide a percentage of affordable dwellings. Affordable units are required to be on the site of the development or cash payments in lieu of actual units can be paid by the developer into the Affordable Housing Trust to subsidize other affordable units.
- An amended *accessory apartment bylaw* that promotes affordable accessory units to expand the supply of year-round rentals directed to the increasing number of smaller households in Yarmouth.
- Adoption of *Affordable Housing Standards*, effective February 18, 2010, to provide greater predictability for affordable housing developments that are reviewed by the Community Housing Committee, and to ensure that the affordable units created qualify for inclusion in the Subsidized Housing Inventory. These standards include guidelines related to the review process, term of affordability, percentage of affordability, local preference, relocation, affirmative fair housing marketing, as well as design and construction criteria.
- Passage of an *affordable lots bylaw* that allows affordable housing to be built on lots that are currently unbuildable. Substandard lots of 10,000 square feet or more are allowed by-right and those of less than 10,000 square feet must be approved under Special Permit of the Board of Appeals.

²⁵ Yarmouth Zoning Bylaw Section 404 specifies a maximum density of 16 units per acre, the size of units (600 square feet for raze and replace and a schedule of sizes ranging from 250 square feet to 750 + square feet for redevelopment), the number of affordable units (based on overall density with a maximum requirement of 25% affordability), and design standards. Affordable units are required to meet the state’s Local Initiative Program (LIP) standards.

²⁶ Yarmouth Zoning Bylaw Section 412.

- *Growth Incentive Zone (GIZ)* that permits larger scale projects of 30 or more units to move forward without the time and cost that is often associated with Cape Cod Commission Development of Regional Impact (DRI) review. Approval of the GIZ was required by both the Cape Cod Commission and the Barnstable County of Delegates and was achieved based on support for affordable housing as part of the Route 28 economic revitalization plan and smart growth principles. Understanding that Chapter 40B was enacted largely to permit housing projects in municipalities where zoning had become overly restrictive, the Town's Motel Bylaw and Growth Incentive Zone have done just the opposite by actually making zoning less restrictive and encouraging the development of multi-family housing.
- Creation of a *property inventory* that involves a list of potential public and private sites that may be suitable for the development of housing, including some amount of affordable housing.

The Town of Yarmouth will consider the following additional planning and zoning-related strategies to promote the creation of affordable units. It should be noted that units that are created pursuant to these zoning changes would be counted under specific housing production strategies included in Section V.C.

1. Pass Village Center Bylaw

Timeframe: Years 1-2

Responsible Party: Planning Board and CEDC with input from the Community Housing Committee.

Current Status: The Planning Board drafted a Village Center bylaw in early 2006, but decided not to proceed at subsequent Town Meetings given other zoning-related proposals. The purpose of the bylaw was to improve the aesthetic quality and viability of properties and commercial districts, and to establish a special review process to review design proposals. The bylaw included provisions that would revitalize, enhance and expand the traditional South Yarmouth village center and allow for the creation of similar new village centers elsewhere in Yarmouth. The bylaw was also meant to promote the positive characteristics typical of traditional pedestrian-oriented, mixed-use village centers by encouraging a combination of residential and business uses. Density bonuses were also established to allow affordable housing to be produced. More recently, the Planning Board has been working to coordinate land use planning efforts with infrastructure plans as well as regulatory improvements through the Cape Cod Commission. Through the designation of Economic Centers, the Town will alleviate some regional regulatory review, thus incentivizing local development. Combined with the Village Center Planning from 2006, these plans will create economically viable pedestrian-oriented zones that are well served by infrastructure that supports increased densities.

Next Steps: The Town, through its Planning Board, CEDC and CHC, and with support from the Town Planner and Department of Community Development, should revisit the draft bylaw, make appropriate changes, and obtain the necessary approvals.

Resources Required: Staff time of Town Planner and the Department of Community Development.

2. Amend Cluster Development Bylaw to Promote Affordable Housing

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Community Housing Committee.

Current Status: Yarmouth's Zoning Bylaw includes provisions encouraging cluster-type development of various types, including single-family, multi-family, Planned Residential Developments and Congregate Living Housing. All provide for the protection of open space and meet a number of objectives including the promotion of more compact development patterns in line with smart growth principals.

Yarmouth's Cluster Bylaw may be considered successful as many developments of this type have been constructed, but use of the cluster provisions for new developments has fallen off in recent years for various reason, including the fact that the Town is near its development capacity and the fact that the minimum project size of 10 time the standard lot size can no longer be easily met.

Multi-family housing, beyond a two-unit dwelling, is currently only permitted in the conversion of existing motel stock or in the creation of cluster developments that "allow relatively intensive use of land locally while not increasing the population density on a large scale; to preserve open space for conservation and recreation; to introduce variety and choice into residential development; to meet housing needs; and to facilitate economical and efficient provision of public services. In the case of congregate living housing, it is the further objective to provide housing for the elderly population who may not be capable of total independence but are not in need of institutional living."²⁷ The requirements for cluster development would result in the following densities:

Table V-1: Cluster Subdivision Requirement Summary

Min Lot Size (sq. feet)	25,000	40,000
Min Cluster Size (=10* Min Lot Size)	250,000	400,000
Open Space Req. (=1/3)	83,333	133,333
Area Remaining for Development	166,667	266,667
# of permitted units (10,000 sq. ft. per unit)	17	27
# Units per Acre	3	3

The above figures actually overestimate the number of units that could be developed because the land area needed for roads or buffers (there is a 50 foot buffer requirement around cluster subdivisions) has not been factored into the calculations. Also, the existing cluster provisions do not provide adequate incentives for the creation of affordable housing as the maximum number of units allowed is calculated by dividing the area of developable land in the tract by the minimum lot size allowed under standard subdivision regulations in the zoning district offering no real density bonuses.

This bylaw allows single-family and multi-family developments on reduced lot sizes with an area of common open space (no less than 30% of total acreage preserved for conservation or recreation purposes). It also provides for Planned Residential Development that includes a group of multi-family dwellings mixed with single-family homes or one or more neighborhood convenience stores, also incorporating open space. Another allowable use is congregate living

²⁷ Town of Yarmouth Zoning Bylaw, Article IV, Section 402.2.

housing that includes publicly operated or subsidized housing for seniors on at least twenty acres of land, sites that are exceedingly rare.

Next Steps: The Planning Board, with support from the Community Housing Committee, should review the Cluster Bylaw and explore what other communities have done with respect to these more flexible zoning provisions. If change would serve to meet the goals of the Production Plan, zoning amendments might be prepared. Change might, for example, include a revision of density bonuses for the inclusion of affordable housing units in all cluster types as well as a reduction in the minimum size of allowed projects. For example, model bylaws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, adopted by a number of Massachusetts communities. A model bylaw is also included in the Executive Office of Energy and Environmental Affairs Smart Growth Toolkit.

Resources Required: Staff time from the Town Planner to draft the zoning amendment and coordinate the necessary approvals towards implementation. This strategy will also require some support from Community Development Department.

3. Explore Adoption of 40R/40S

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Community Housing Committee

Current Status: The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and that the state increase its commitment to fund affordable housing for families of low and moderate income”.²⁸

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”²⁹ These new districts would typically occur in denser town centers and in areas already served by transportation.

The goal of 40R was to address several regional concerns at once: the need for more affordable housing, the need to avoid adding more traffic to roads and highways already choked during commuting hours, and to protect the New England landscape from additional sprawl fostered by large-lot subdivisions. The legislation was also passed in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are forcing college graduates and young professionals to relocate to other areas of the country in search of greater affordability.

²⁸ Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” October 30, 2003, p. 3.

²⁹ Massachusetts General Law, Chapter 40R, Section 11.

The key components of 40R include:

- Allows local option to adopt Overlay Districts³⁰ near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Allows mixed-use and infill³¹ development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R so they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. In effect, 40S will hold those communities participating in 40R harmless from costs added to school budgets as a result of the 40R-related development.

Next Steps: In an effort to promote smart growth and mixed-use, mixed-income development, the Town should explore the adoption of 40R/40S and convene a forum to discuss these new regulations and how they could be effectively implemented in Yarmouth. Overlay districts may be effective in the Town and Village centers, along the commercial corridors, perhaps along the waterfront and maybe as a tool for motel conversions.

Representatives from the state are available to make presentations to communities on 40R and answer questions. If there is general agreement to pursue the development of the Zoning Districts further, the Town can use CPA funding to secure the necessary technical assistance to implement the rezoning or use the in-house expertise of the Town Planner.

The formal steps involved in creating the Overlay Districts are as follows:

1. The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
2. The Town applies to DHCD prior to adopting the new zoning;
3. DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
4. The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
5. The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
6. DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

³⁰ Overlay districts contain additional provisions for special features or conditions, such as historic buildings, affordable housing, wetlands, mixed-uses, etc. as part of the Zoning Bylaw.

³¹ Infill development is the practice of building on vacant or undeveloped parcels in dense areas that promotes compact development and in turn allows undeveloped land to remain open and green.

Additional resources are also available from the state that might be used in tandem with 40R/40S such as the District Improvement Financing Program (DIF) and Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF). DIF is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs, such as 40R/40S. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

Resources Required: This strategy is likely to require some technical support from the Town Planner or the Town could use CPA funding to secure the services of a consultant to implement the adoption of 40R locally, to work with developers, and to apply for other sources of financing. Other funding sources may include the Cape Cod Commission's Technical Assistance Program (TAP) or the state's Executive Office of Environmental Affairs (EOEA) Smart Growth Technical Assistance Program.

4. Allow a Wider Range of Housing Types

Timeframe: Years 1-3

Responsible Party: Planning Board with support from the Community Housing Committee

Current Status: Yarmouth's Zoning Bylaw allows two-family dwellings, congregate living options, accessory apartments, mixed-use development and multi-family housing under specific conditions, usually with a Special Permit. These provisions, however, have not provided sufficient incentives for developers or property owners to create these types of housing opportunities. This Housing Plan provides a number of recommendations to amend the Zoning Bylaw and encourage a broader range of housing types to meet a wide range of housing needs, including the integration of affordable housing. It should also be noted that the "friendly" comprehensive permit process is a useful tool for approving worthwhile projects that do not meet all local regulations and thus can bypass the need for zoning amendments.

It may also be useful to consider a bylaw that was adopted in Dennis to establish greater flexibility on the part of the Town to approve affordable housing projects. This provision referred to as "Municipally Sponsored Housing Projects", allows the Dennis Board of Selectmen to act as a sponsor for affordable housing projects which:

- Encourage adaptive reuse;
- Promote infill development;
- Are compatible with the surrounding neighborhood;
- Encourage “economically priced housing” and a variety of housing types; and
- Foster “flexibility and creativity in the creation of affordable housing”.³²

Approval is through a Special Permit by the Planning Board and various zoning exceptions can be granted including requirements related to intensity of use, minimum area, density (may be greater than 10,000 square feet per bedroom), parking, and buffers. All of the units must be created for year-round use and not less than 50% of the units can be affordable to those earning between 65% and 80% of area median income with the remaining units affordable to those earning no more than 120% of area median income.

Next Steps: The Yarmouth Community Housing Committee might explore adapting Dennis’ bylaw to Yarmouth and work with the Town Planner and Planning Board to propose a zoning amendment for Town Meeting approval.

Resources Required: The Planning Board should coordinate this effort with support from the Community Housing Committee/Housing Trust and other appropriate local officials to determine the feasibility of implementing this strategy in Yarmouth, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy will require staff time from the Town Planner to draft the bylaw as well as from the Department of Community Development to insure that all affordable units created are counted as part of the Subsidized Housing Inventory.

5. Explore the Transfer of Development Rights

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Community Housing Committee

Current Status: The Association to Preserve Cape Cod received a grant from the TD Banknorth Charitable Foundation and the Cape Cod Five Cents Savings Bank a few years ago to explore a Cape-wide Program to pursue the transfer of development rights (TDR), a planning tool that is increasingly being implemented in the state and across the country. TDR involves the conveyance of development rights by deed, easement or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. Zoning provisions allow this transfer to take place and in some case can identify “receiving zones”, growth incentive areas such as village centers or transportation nodes where more concentrated development is promoted as opposed to “sending zones” where development is discouraged.

TDR bylaws have been adopted in Falmouth and Mashpee. For example, the Town of Falmouth preserved 12 acres of open space in a Water Protection District by buying the development rights and enabling a developer to more than double the number of subdivision lots, from seven (7) to 15. Mashpee has yet to use its TDR bylaw referred to as Open Space Incentive Development.

³² Town of Dennis Zoning Bylaw, Section 4.9.

Next Steps: The Planning Board, with support from the Community Housing Committee, should consider the potential for adopting a TDR bylaw in Yarmouth and explore how it is working in other communities. Inclusionary zoning would incorporate affordable units into any “receiving” TDR development.

Resources Required: Staff time from the Town Planner and Department of Community Development to explore the appropriateness of this strategy in Yarmouth and potentially draft a bylaw and pursue approval.

6. Waive Permit Fees for Affordable Housing

Timeframe: Years 3-5

Responsible Party: Board of Selectmen

Current Status: Many communities are waiving application/permit fees for affordable housing developments, either for certain types of projects or on a case-by-case basis. All regulatory fees become part of a development budget that affects the affordability of the housing produced. The waiver of regulatory fees is an area where the Town might have some additional capability of directly affecting project costs and affordability. In fact, the Town of Yarmouth already waives permit fees on a case-by-case basis, however, no blanket policy currently exists.

Next Steps: The Town of Yarmouth should consider making fee waivers an institutionalized part of the Town’s housing efforts. The Community Housing Committee should work with the Planning Board, Board of Selectmen, Building Department and other appropriate Town boards and committees to determine what types of projects would qualify for this waiver (e.g., units counted as part of the Subsidized Housing Inventory, non-profit developers, projects that require housing subsidy funds to be feasible, projects meeting production goals) and the projected amount of foregone revenue that would result.

Resources Required: Foregone revenue received from the amount of fees waived in support of new affordable unit development. Staff time from the Department of Community Development.

7. Explore Property Tax Exemption for Affordable Year-Round Rental Housing

Timeframe: Years 3-5

Responsible Party: Board of Selectmen with support from the Community Housing Committee

Current Status: The Housing Needs Assessment included in this Housing Plan indicates a critical need for additional rental housing. Provincetown, recognizing a similar shortage, approved a property tax exemption for affordable year-round rental units. This home rule petition required state approval and was signed by Acting Governor Jane Swift in December 2002. The tax exemption is made available to owners of housing units that are rented on a year-round basis to low-income households at rents (including utilities) not exceeding HUD limits and that also place appropriate affordability restrictions on the property through the state’s Local Initiative Program.

Next Steps: The Community Housing Committee should explore with local officials the prospects of adapting the Provincetown tax exemption in Yarmouth and try to gauge the level of local support. If

substantial support for such an action is demonstrated, the Town should take the necessary steps to obtain the required Town Meeting and state approvals and then make the exemption available.

Resources Required: Staff time of the Department of Community Development to work with the Community Housing Committee and other local officials in determining the feasibility of implementing this strategy in Yarmouth and in coordinating the necessary approvals towards implementation. There will also be some administrative costs associated with ongoing management to include units in the Town's Subsidized Housing Inventory. Additional resources will involve the foregone taxes associated with the exemption.

B. BUILD LOCAL CAPACITY AND SUPPORT

In order to carry out the strategies included in this Housing Plan and meet the production goals, it will be important for the town of Yarmouth to build its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources – financial and technical – as well as building local political support, developing partnerships with public and private developers and lenders, and creating and augmenting local organizations and systems that will support new housing production.

The Town of Yarmouth is fortunate in that it has some local resources on hand to support affordable housing including approximately \$150,000 in CDBG funds per year, the bulk of which is typically available for affordable housing. Yarmouth also has adopted the Community Preservation Act³³ and must commit at least 10% of the annual funding towards affordable housing. Since 2005, local revenues have totaled approximately \$6.7 million and the Town has received approximately \$5 million in state matching funds. CPA funding for affordable housing has involved 15 separate allocations and approximately \$4.3 million.

The Town has also had access to HOME Program funding through the Barnstable HOME Consortium administered by the Cape Cod Commission and \$187,500 has been allocated to Yarmouth for housing development since the Consortium began operations in mid-1994³⁴. The HOME Consortium has also supported down payment and closing costs for 100 first-time homebuyers in Yarmouth, representing \$546,659 in funding, and has provided assistance to 29 qualifying homeowners in making necessary home improvements that totaled another \$246,000.

This Plan builds on an organizational structure for the implementation of the strategies and continued oversight of housing policy and initiatives in Yarmouth that was largely proposed as part of the 2007 Housing Plan including the following:

³³ The Community Preservation Act establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state based on a funding commitment of approximately \$26 million annually. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of three categories – open space, historic preservation and affordable housing – allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. More than 100 municipalities in the Commonwealth are benefiting from this important new resource including Yarmouth that enacted a 3% surcharge.

³⁴ HOME Program funding included \$40,000 for four units as part of the Camp Street rental project, \$22,500 for a single unit developed by Our First Home, \$60,000 for the first four houses built by Our First Home on Brush Hill Road, another \$40,000 for an affordable rental for Brush Hill Residences, and \$25,000 to support the Buy-Down Program.

- Continuing oversight of the Yarmouth Community Housing Committee whose mission is to assist the Town in reaching the 10% affordable housing goal under Chapter 40B while maintaining the quality of life for all residents
- Establishing an Affordable Housing Trust, which was created in 2007, and capitalizing it with \$908,000 to date.
- Hiring a Housing Consultant to support program development and management of the Buy-Down Program.
- Conducting annual housing summits and other special events
- Preparing an inventory of public and private property potentially suitable for some amount of affordable housing.
- Applying for Commonwealth Capital scoring to be competitive for a wide range of state discretionary funds.
- Continuing to access to new affordable housing resources Housing Development Subsidies

Because affordable housing policies, regulations, programs and projects rely on local approvals, building local support for new affordable housing initiatives is essential. Consequently, Yarmouth will continue to pursue aggressive community education and outreach on the issue as described below.

1. Continue Educational Campaign

Timeframe: Years 1-2 and ongoing
Responsible Party: Community Housing Committee

Current Status: Affordable housing has become a more visible issue in Yarmouth, largely as a result of proposed comprehensive permit projects, new zoning changes, new Town-sponsored programs and projects, and high housing values. Many residents are aware of housing problems, particularly given the recent financial crisis, and some are encountering difficulties affording housing in Yarmouth. It is also to be assumed that many residents continue to hold onto negative stereotypes of what affordable housing is and what it will do to their community.

The Town of Yarmouth has made great strides in recent years to reach out the community residents and other important stakeholders on the issue of affordable housing. It has provided opportunities to make the affordable housing issue more visible, discussing current and planned initiatives and obtaining important feedback. These outreach efforts have included the following:

- *Surveys*
 To explore resident attitudes and perceptions of affordable housing needs and priorities as part of the Town's process of preparing the HUD Consolidated Plan, the Town's Department of Community Development issued a survey to approximately 1,000 residents. The input from the 246 responses indicated that local residents felt Housing Needs surpassed all other priority areas including public facilities, community services, public infrastructure, economic development, and homeless facilities and services. Within the housing category, respondents felt the emphasis for assistance should be placed on ownership housing (over rental). For both categories, residents felt that the

renovation of existing housing should be prioritized over purchase/rental assistance as well as the development of new housing.

Through a similar survey of more than 90 non-profits serving Yarmouth residents, the 20 respondents felt that the emphasis should be placed on rental housing as opposed to ownership housing. While this priority differed from that of residents, the subsequent prioritization of types of assistance was the same: renovation over purchase/rental assistance over the development of new housing.

- *Focus Groups*

Affordable Housing Focus Groups were also conducted, co-hosted by the Towns of Yarmouth and Barnstable together with the Cape Cod Commission on January 26, 2010, yielding the following comments:

- Low and extremely low-income households are underserved by programs targeting households at or below 80% area median income.
- Single-parent households need larger multi-bedroom units, but with only one income stream cannot afford larger units without increased subsidies.
- There is a growing need for one-bedroom units for single person households, including young adults (including children aging out of foster homes and shelter care systems), middle-aged persons, and households aging out of their homes but not ready for public or assisted housing.
- Advocates for disabled persons testified on the need for more affordable accessible units for disabled individuals and their households.
- The group agreed that the need for rental housing was very high.
- Affordable housing advocates from the Outer Cape noted the need for financial assistance for smaller developments with five (5) or fewer units.
- Homeless preventions advocates testified on the need for permanent supportive housing for those transitioning out of shelters.
- The group noted several barriers to affordable housing including conflicting deed riders, inconsistent and multiple application and income verification requirements for beneficiaries, and a lack of a central source of resources for the extremely low and very low-income population.

- *Special Events*

The Town has also regularly hosted a special booth at the Seaside Festival to provide information on affordable housing, and sponsored an Affordable Housing Fair where information was provided on the Town's Affordable Accessory Apartment, Septic Rehab/Replacement, and Buy-Down Program as well as the County's Employer Assisted Housing Program operated by Housing Assistance Corp. and the application processes associated with lotteries and income verification. Informational seminars were also held to help consumers understand affordable housing requirements.

- *Annual Housing Summits*

Particularly noteworthy are the annual housing summits that the Community Housing Committee has facilitated that showcase the issue of affordable housing in a light that demonstrates how the Town can be proactive on the issue to better serve the wide range of local needs and control new development. These summits are opportunities to build cooperation among local leaders on the Town's affordable housing agenda, and through a

positive exchange of information, build local support for important strategies to promote affordable housing, including the implementation of this Housing Plan.

- *Outreach to Media*

The Community Housing Committee has sponsored articles in The Register every month on the issue of affordable housing, has participated in local access cable programs, and provides a link to affordable housing on the Town's website.

Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions. They also help garner local political support for important housing programs and projects.

Next Steps: The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue, providing updated information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. The Town will continue to use its website, local cable access programming, special articles, and community events such as the annual Seaside Festival, annual housing summits and other community meetings to provide information on affordable housing issues and new initiatives.

Resources Required: The donated time of Yarmouth's Community Housing Committee as well as staff support from the Department of Community Development.

2. Encourage Training on Housing and Smart Growth Development

Timeframe: Years 1-2

Responsible Parties: Board of Selectmen, Community Preservation Committee and Community Housing Committee

Current Status: Town boards such as the Zoning Board of Appeals, Planning Board and other interested local leaders, including members of the Community Housing Committee, Affordable Housing Trust and Yarmouth Housing Authority, should receive training on smart growth development and affordable housing issues including comprehensive permits as they relate to low- and moderate-income housing as defined by Chapter 40B. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation regarding their responsibilities. Funding for the professional development of staff, including the Department of Community Development and Town Planner, would also help keep key professionals informed and up-to-date on important new developments, best practices and regulations. These workshops and conferences also present opportunities for networking among colleagues, sharing information and making important connections to other municipalities.

The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes on this subject periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership holds the Massachusetts Housing Institute as an educational program to support municipalities and local participants to better understand

the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices. This training is held over a two-day period, at least once a year.

Other organizations and agencies such as DHCD, MHP, CHAPA, and the Community Preservation Coalition also provide conferences and training sessions on a wide variety of housing issues that are useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural “how to” booklet for local communities on the development process, the state’s Executive Office of Environmental and Energy Affairs has a compendium of model zoning bylaws on their website, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

Next Steps: The Town’s Board of Selectmen should encourage members of appropriate committees – the ZBA, Planning Board, Community Housing Committee, and Affordable Housing Trust in particular – to attend statewide and regional training sessions on housing-related issues, new regulations, and approaches for promoting smart growth. If fees are involved, this funding should be made available, and the Town should earmark funds to support these costs. This training should also be accessed on an ongoing basis as members of these boards and committees or staff turnover.

Resources Required: Information on available training should be tracked and made available by the Department of Community Development and attendance fees paid by the Town when required, the costs potentially ranging from \$2,000 to \$4,000 annually.

3. Prepare a Deed Rider Inventory

Timeframe: Years 1-2

Responsible Parties: Community Housing Committee

Current Status: In order for units to be considered as affordable by the state under Chapter 40B and eligible for counting towards annual production goals and the 10% affordability threshold as part of the Subsidized Housing Inventory, they must be deed restricted. In the early years of Chapter 40B, units could only be counted if they were subsidized, either through the comprehensive permit process approved by a subsidizing agency or through specific state or federal subsidies. The type of deed rider was dependent on the time, agency and subsidy used. It was only during the last few years that DHCD established more specific requirements concerning the deed rider and now has standard deed restrictions and regulatory agreements that must be used to insure long-term affordability and inclusion in the SHI. All units processed through the LIP Local Action Unit process, must use DHCD’s standard deed rider.

This issue has been recently complicated by problems related to conflicting deed restrictions. In early 2010, the US Department of Housing and Urban Development (HUD) issued a ruling that federal HOME Investments Partnership Program funding (either project-based or for down payment/closing cost assistance) could not be used for any unit to which the state’s universal deed rider would be attached. On the other hand, the state’s Department of Housing and Community Development (DHCD) requires that all Local Initiative Program (LIP) homeownership units that are included in the Subsidized Housing Initiative (SHI) use their LIP universal deed rider. Consequently, sponsors of programs or projects that were to combine Community Preservation Act (CPA) or LIP and HOME funds encountered difficulties in both accessing HOME

funds to support project costs or provide down payment and closing costs assistance³⁵ as well as having their affordable units qualify under the state's SHI.

Consequently, affordable units in Yarmouth are likely to have varying deed restrictions attached, the older ones with different requirements including resale formulas, notification procedures, whether they survive foreclosure, etc. While DHCD prefers that towns replace older deed restrictions with DHCD's standard document, this is difficult to do without property turnover.

To obtain better control over maintaining affordability of units in the SHI, it would be helpful for the Town to have an understanding of the deed restrictions for all affordable housing projects/units.

Next Steps: The Community Housing Committee, with professional support from the Department of Community Development or a consultant, should obtain copies of the deed restrictions for all affordable projects/units and document the major requirements in an inventory that can be referred to when the Town is notified of any transfer, sale or refinancing of such units. This inventory will serve as an immediate reference to the affordability restrictions on the unit and what the Town should do to maintain affordability and when possible replace the deed restriction with the state-approved one.

Resources Required: Staff time of the Department of Community Development

4. Access Housing Resources

Timeframe: Years 1-2

Responsible Parties: Community Housing Committee and Affordable Housing Trust

Current Status: The affordability of most housing development projects relies on multiple sources of financing involving both private and public loans and grants. It will be important for the Town to proactively encourage the establishment of partnerships with other interested parties including non-profit organizations, lenders, public agencies, and developers to secure the necessary financial and technical resources to create affordable units.

The Town of Yarmouth is fortunate in that it has some local resources on hand to support affordable housing including approximately \$140,000 in CDBG funds per year, the bulk of which is typically available for affordable housing. Yarmouth also has adopted the Community Preservation Act and must commit at least 10% of the annual funding towards affordable housing. The Town has also had access to HOME Program funding through the Barnstable HOME Consortium administered by the Cape Cod Commission.

Next Steps: The Town of Yarmouth should continue to reach out to private, public and non-profit entities to secure continued and additional housing resources – technical and financial – to best leverage limited local funds in support of its efforts to produce new affordable housing. Some types of resources include:

³⁵ Typically HOME funding was accessed through the federal American Dream Downpayment/Closing Cost Assistance Program (HOME ADDI Assistance) for subsidies that supported down payment and closing cost assistance. This Program will no longer be available, however, HOME Program funding can still be used for down payment and closing cost assistance.

- *Housing Development Subsidies*
There are a myriad of state, regional and federal programs that subsidy housing production. The Town should consider how it could use its CPA, Housing Trust, and CDBG funding most strategically to leverage other public resources to create new affordable housing opportunities to meet the range of local needs and production goals. It should be noted that a number of these programs consider the Town's Commonwealth Capital Score.
- *Rehab Program Funding*
The Town administers housing improvement programs that provide support to qualifying property owners to help them make necessary improvements. The Town is also partnering with local non-profits that are interested in serving the housing needs of Yarmouth residents. For example, it has developed new initiatives to upgrade existing housing, such as through the Affordable Homeownership Rehabilitation Program, with the expectation of additional private and public support.
- *Homelessness Funds*
There are federal and state programs that direct assistance to programs that help prevent homelessness or assist individuals and families in transitioning out of homelessness. Many of these funding programs are directed through the Cape's regional non-profit housing organization, the Housing Assistance Corporation (HAC). The Town of Yarmouth should continue to make necessary referrals to HAC, and, if appropriate, use CPA funding to supplement existing homelessness resources.

The Affordable Housing Trust has also allocated \$29,000 to assist long-term occupants of motel rooms secure safe and decent housing, and is coordinating this efforts and resources with the Cape and Islands Regional Network to Prevent Homelessness.

- *Vocational or Sweat Equity Assistance*
Resources in the form of dedicated labor to help build affordable housing can be useful in reducing construction costs. For example, Habitat for Humanity requires selected first-time homebuyers invest a substantial amount of time, their own "sweat equity" in building their house. Habitat for Humanity also undertakes considerable outreach to attract others in the community to help build these affordable houses, which the Town can support. The Town and Habitat for Humanity are currently partnering to rehabilitate existing affordable housing that serves low and moderate-income households, with anticipated support from the Youth Build Program. Additionally, the Town might explore opportunities for students from the Cape Cod Regional Vocational High School to learn hands-on building skills through participating in the construction of an affordable house or development project.
- *Rental Assistance*
Rental subsidies through the Section 8 Housing Choice Program and Massachusetts Rental Voucher Program (MRVP) are being used by substantial numbers of Yarmouth residents. Rental subsidies can also provide important operating support for an affordable housing development through Project-Based Section 8 assistance. The integration of rental subsidies into new affordable housing should be explored where appropriate.

- *Expiring Use Funding*
Yarmouth had one large subsidized development, Swan Pond Village, the affordability of which was recently rescued through Chapter 40T legislation. The state and federal governments have other special programs directed to maintaining these “expiring use” units as affordable, which may need to be tapped for other units down the road. The Town has made funding available through CDBG and the Housing Trust to intervene as necessary to purchase or further subsidize homes that are being resold and are in jeopardy of losing affordability under older deed restrictions.
- *Homeownership Support*
There are a number of state and regional resources available to support first-time homebuyers including home purchase and post purchase workshops, individual counseling, downpayment and closing cost assistance, and subsidized mortgages. The Town of Yarmouth may want to consider how local resources, such as CDBG or CPA, may also be made available to provide further support to new homebuyers if warranted.

C. HOUSING PRODUCTION

As was the case with planning and zoning strategies as well as Yarmouth’s community education campaign described in Sections V.A and B above, the Town’s primary approach to producing affordable housing units in the next five (5) years represents largely a continuation of the progress it has made in implementing strategies included in its 2007 Affordable Housing Plan. These strategies include the following:

1. Continue to Revitalize Commercial Areas and Village Centers with Year-Round Housing

Timeframe: Years 1-2 and Ongoing.

Number of Projected Affordable Units: 229 Units

Responsible Party: Planning Board with support from the Community Housing Committee

Current Status: In the context of good town planning and smart growth, the likely location for denser development, certainly for providing housing for smaller households and seniors, is in commercial areas and near transportation nodes. Looking at density from the center of town outward or along commercial corridors is a well-regarded strategy in town planning. The Town has recognized that the village centers and commercial corridors down Route 28 would be well suited to higher densities and mixed-use development, and the residential units would add to the vitality of the areas, provide housing for small households in easy walking distance to goods, services and transportation, and reduce the amount of traffic. Consequently the Town has taken a number of measures to promote such development including:

- The Motel Bylaw that promotes the redevelopment of motels into year-round housing, including affordable housing, also improving the financial viability and appearance of under-performing properties.
- A Motel Predevelopment Fund that provides funding to property owners to plan for redevelopment under the Motel Bylaw.

- The approval of a Growth Incentive Zone (GIZ), to facilitate the redevelopment of motel properties by eliminating the need for Cape Cod Commission review in most cases.
- Planning for the development of sewer services in Town with the first phase targeted for Route 28.
- Additional planning as part of the Cape Cod Commission's Regional Policy Plan to direct growth to village centers as well as along Routes 6 and 28.

Mixed-use is allowable to the extent possible under current zoning, however, the existing bylaw is not that helpful in making it economically feasible. It will be important for the Planning Board and Community Housing Committee to obtain approval for its Village Center Bylaw (see Section V.A.1) that will provide sufficient guidance and incentives, particularly in regard to allowable density, to make mixed-use development, including the integration of affordable housing, attractive to developers. District Improvement Financing, Urban Center Housing Zones, 40R and Tax Increment Financing are additional tools that might also be considered for promoting mixed-use development in appropriate locations in Yarmouth.

Next Steps: It is anticipated that the draft Village Center Bylaw will be available for Town Meeting approval at least by the spring of 2012 that will substantially bolster mixed-use development in Yarmouth (see Section V.A.1). Other zoning changes, including the adoption of 40R/40S (see Section V.A.3) and the willingness to explore other financial tools such as District Improvement Financing and Urban Center Housing Zone Tax Increment Financing should attract interest from developers and make new mixed residential and commercial development economically feasible.

The Town continues to address health and safety concerns that result when motel rooms are used as long-term rentals. This has included court action. In 2010 Barnstable County Superior Court decided in favor of Town of Yarmouth on a motel zoning bylaw enforcement case. While in appeal, the Town is proactively networking with several housing agencies seeking assistance for individuals who may be required to re-locate. To this end the Town will host a Housing Help Fair in April 2011. The Town expects the following agencies to participate: Hands of Hope Outreach Center, the Massachusetts Department of Transitional Assistance, the Yarmouth Housing Authority, Bass River Properties, Barnstable County Department of Human Services, the Homeless Prevention Council, the Community Action Committee of Cape Cod and the Islands, Housing Assistance Corporation, and the Duffy Health Center. The Yarmouth Affordable Housing Trust has also allocated \$29,000 to assist long-term occupants of motel rooms in securing safe and decent housing provided motels do not re-occupy the motel unit with a new "renter."

Resources Required: Staff time of Town Planner and the Department of Community Development to prepare and process proposed amendments to the Zoning Bylaw and secure approvals. Additional time to work with developers on implementation, insuring that all requirements are met and the affordability restrictions of the affordable units are enforced.

2. Continue to Make Suitable Public Property Available for Affordable Housing

Timeframe: Years 1-2 and Ongoing

Number of Projected Affordable Units: 125 Units

Responsible Party: Community Housing Committee and Affordable Housing Trust

Current Status: The contribution or “bargain sale” of land owned by the Town but not essential for municipal purposes has been a major component of Yarmouth’s affordable housing agenda and continues to be key to this Housing Production Plan. In the past, the Town has conveyed property for affordable housing development for a number of projects including:

Table V-2: SHI Units Developed on Town-owned Land

Project Name	Number of Units	Type of Project
Rose Road (Habitat for Humanity)	1	Ownership
Old Town House Road (Habitat)	1	Ownership
Glenside Avenue (Habitat)	1	Ownership
German Hill Estates	37	Ownership
Setucket Pines	13	Ownership
Brush Hill Road Phase I	6	Ownership
Brush Hill Road Phase II	4	Ownership
Old Cedar Lane	<u>1</u>	Ownership
Total	64	

The Town also conveyed a large 18.89-acre parcel on Forest Road to the Yarmouth Housing Authority for the development of senior housing. This designation was subsequently changed by the Town to also allow family housing. The Housing Authority is in the process of selecting a developer for the project, which will include at least 100 units.

In 2007, the Department of Community Development completed an inventory of Town-owned property that included the following:

1. Old Cedar Lane
2. Shelburne
3. Old Town Village
4. Haywood
5. West Great Western Road – 3 different sites
6. West Yarmouth Municipal Site
7. West Yarmouth Fire Station
8. John Simpkins School

In 2007, the September Special Town Meeting set-aside \$30,000 of Community Preservation Funds for feasibility studies of these properties as was prescribed in the 2007 Housing Plan.

Out of the remaining inventory, the Community Housing Committee prioritized the West Great Western Road sites for the feasibility study funds. In 2010 the Town added a 1.22-acre lot at the corner of West Yarmouth Road and White Rock Road (Assessors map 115, lot 216.3) after Land Court issued a judgment in the Town’s favor regarding ownership. In May 2011, the

Yarmouth Town Meeting will vote on the designation of this lot for affordable housing. If approved this lot would be a priority.

The 2007 Housing Plan acknowledged that many communities were looking for opportunities to create affordable housing through a scattered-site approach to spread the impacts of new housing production throughout the community so as not to overburden any particular neighborhood. The development of the above listed Town-owned properties presents the opportunity to do this.

Next Steps: The Department of Community Development will continue to work with the Community Housing Committee and Affordable Housing Trust to conduct preliminary feasibility analyses on these Town-owned parcels. If this analysis indicates that housing might likely be accommodated, the Committee/Trust will prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements and select a developer based also on identified criteria in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and the Housing Committee/Housing Trust may be able to obtain this relief through normal channels, if community support is assured, or use the "friendly" comprehensive permit process through DHCD's Local Initiative Program (LIP). Additionally, the Housing Committee/Housing Trust will need to be involved in attracting the necessary financial, technical and political support.

Resources Required: In addition to providing the property at only a nominal cost, the Town will provide additional CPA or Housing Trust funding to leverage other private and public financing to the greatest extent possible. Staff time by the Department of Community Development or consultant services will also be required to coordinate the feasibility analyses, prepare the RFP and select the developer, provide support during the regulatory process, and insure all affordable units are captured as part of the SHI.

3. Continue to Convert Existing Housing Units to Affordability

Timeframe: Years 1-2 and Ongoing

Number of Projected Affordable Units: 28 Units

Responsible Parties: Affordable Housing Trust and Community Housing Committee

Current Status: The Town has introduced a Housing Buy-Down Program pursuant to its 2007 Affordable Housing Plan. Thus far, eight (8) units have been acquired, rehabilitated and sold to qualifying first-time homebuyers. Another three (3) units are in the pipeline. This approach to converting existing housing into long-term affordability, counting units as part of production goals and the SHI, takes advantage of the current decline of property values that lowers the affordability gap between market and affordable prices and thus the amount of the subsidy.

The Town has committed \$1,465,600 through its Housing Trust, capitalized by CPA, with another \$50,000 in CDBG funding as well as securing \$25,000 in HOME funding from the Barnstable County HOME Consortium in support of this program. It has also contracted with consultants, Bailey Boyd Associates, to oversee program operations.

It should also be noted that existing homes have been acquired by non-profit organizations, and with support of the state's Department of Developmental Services (formerly called the Department of Mental Retardation), have been converted to group homes to serve special needs populations. These

units are also counted as part of the SHI, with each bedroom counting as a unit. Yarmouth's SHI currently has 53 such units.

In 2009 the Trust provided funding to a private developer to rehabilitate three (3) existing rental units on Wilfin Road. An affordable housing restriction has been recorded on the property and the units serve low and moderate-income households.

Next Steps: The Housing Trust will continue to acquire existing unsubsidized units for conversion to affordable housing using existing Trust Funds as well as other resources, such as CDBG and HOME funds to purchase units on the market, make the necessary repairs, and create first-time homeownership opportunities.

Also, the Affordable Housing Trust and Community Housing Committee will support efforts by project sponsors to convert existing housing to group homes to serve the needs of the disabled.

Resources Required: Support from consultants as well as subsidy funds totaling approximately \$450,000 per year to create about five (5) affordable units annually.

4. Continue to Promote Adaptive Reuse

Timeframe: Years 1-2 and Ongoing

Number of Projected Affordable Units: 100 Units

Responsible Party: Community Housing Committee and Affordable Housing Trust

Current Status: The Town has been identifying underutilized nonresidential properties for potential conversion to housing, including affordable housing, through various options including but not limited to Single Room Occupancy Units (SRO's), congregate and/or special needs housing, rental housing and first-time homeownership. Depending upon the structure, adaptive reuse can be amenable to mixed-use and mixed-income development.

The conversion of motels to year-round rental units, including affordable housing, has been a major thrust of Yarmouth's housing agenda. Additionally, the Town is conveying the vacant John Simpkins School to the selected development, Stratford Capital, for age-restricted, affordable rental housing, which represents a key development in this Housing Production Plan. The Town has also identified the West Yarmouth Fire Station for possible redevelopment as housing, including affordable housing.

Next Steps: The Town will continue to encourage the redevelopment of motels into year-round, mixed-income rentals, using the Motel Bylaw and Motel Predevelopment Fund as incentives. The Town will also work closely with Stratford Capital on the development of the Simpkins School. It will also continue to identify and pursue the development of other underutilized nonresidential properties for conversion to year-round housing, including affordable housing, possibly through the West Yarmouth Fire Station or other school closings.

Resources Required: Staff time from the Department of Community Development to continue identifying possible properties and ultimately working with the Community Housing Committee and Affordable Housing Trust to attract interested and qualified developers and subsidize the units to

integrate some housing affordability. Predevelopment funding from CPA or Affordable Housing Trust funds will also be made available.

5. Develop Scattered Sites Affordable Housing

Timeframe: Years 1-2 and Ongoing

Number of Projected Affordable Units: 34 Units

Responsible Party: Community Housing Committee and Affordable Housing Trust

Current Status: Many communities are looking for opportunities to create affordable housing through efforts that will spread the impacts of new housing production throughout the community, in existing neighborhoods and on smaller existing parcels, so as not to overburden any particular neighborhood. There are lots, both Town-owned and privately-owned, that are geographically spread throughout Yarmouth that might accommodate more limited numbers of new housing units in support of production goals and local needs. Examples of this type of infill development is the Trust's highly successful Buy-Down Program (see strategy C-3), the burgeoning Affordable Lots Program being coordinated by Our First Home and Habitat for Humanity, and smaller "friendly" 40B's.

Next Steps: The Town should continue to work with for profit and non-profit developers as well as with abutters of vacant land to develop new infill housing on available vacant sites scattered throughout town in existing neighborhoods. The Town has made and will continue to make available an inventory of vacant lots with potential to be an affordable lot available. The Affordable Lots Program will also support this scattered-site approach to small infill development, and the Town will explore opportunities to encourage special needs housing in group homes in existing neighborhoods.

Resources Required: The Town can play a helpful role in supporting developers in applying for subsidies to insure that at least some of the units are affordable and can be included in the Town's Subsidized Housing Inventory; can negotiate "friendly" Chapter 40B projects through DHCD's Local Initiative Program. Additional resources to support such development can be accessed through the state and federal governments.

D. HOUSING PRESERVATION AND DIRECT ASSISTANCE

Housing production is critical, but the Town also needs to be concerned that it does not lose current as well as future units counted as part of its Subsidized Housing Inventory and provides resources to support the needs of struggling renters as well as the deferred home maintenance needs low-income homeowners, seniors in particular with fixed incomes.

1. Monitor Affordability of Subsidized Housing Inventory

Timeframe: Years 1-2 and Ongoing
Preserve 10 Existing Affordable Units
Responsible Party: Community Housing Committee

Current Status: Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the continued affordable status of housing units is in jeopardy in many communities. Of particular concern for Yarmouth was the 150 affordable rental units at Swan Pond Village where affordability restrictions were due to expire in 2010. Relatively recent state legislation, Chapter 40T, provided a vehicle for saving these “expiring use” units, enabling a developer to purchase the units and refinance them, extending the affordability restrictions well into the future. There are also a number of single homes that were improved through rehabilitation programs where affordability restrictions are due to expire during the near future, which given relatively small subsidy levels, should be expected. It will be up to the Town to take proactive steps, where possible, to maintain the affordability of these units.

Next Steps: It is important to insure that all affordable housing units that are produced remain a part of the Town’s Subsidized Housing Inventory for as long a period of time as possible. The Community Housing Committee, with support from the Department of Community Development, should closely monitor developments with affordable units, and intervene as appropriate to maintain the units as affordable through the Chapter 40T process, the courts or other purchase and refinancing approaches. For example, affordable homes that were produced with older deed restrictions, may have resale formulas that result in purchase prices that exceed affordability standards under the state’s Local Initiative Program (LIP). The Town will need to subsidize the purchase prices to keep these units affordable and included in the SHI, or have the Affordable Housing Trust purchase the properties and then resell them to qualifying buyers, providing subsidies as necessary.

Resources Required: Staff time of the Department of Community Development and subsidies for acquisition and refinancing as necessary.

2. Upgrade Existing Housing Stock

Timeframe: Years 1-2 and Ongoing
Responsible Party: Community Housing Committee

Current Status: Some town residents, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs and home improvements. Additionally, some seniors and those with special needs require special handicapped adaptations and repairs to help them remain in their homes. Yarmouth residents also benefit from technical and financial support in the case of septic failures and Title V compliance issues. Improvements to upgrade the existing housing stock for owners who need financial assistance have been considered a cost-effective use of the Town’s CDBG funding and the Yarmouth Department of Community Development manages the following two (2) property improvement programs.

- *Septic Pumping and Repair Program*

This program has received CDBG funding since 1999 in recognition that Yarmouth is located in an environmentally sensitive region reliant on a sole source aquifer for its public drinking water, and has consequently adopted strong regulations aimed at reducing ground water pollution from sewage and hazardous materials. The services required to meet these regulations are very expensive, especially for lower income homeowners. This program provides 15-year forgivable loans to owners earning at or below 80% of area median income. The Town's Health Division has administered the program with assistance from the Department of Community Development.

- *Affordable Home Rehabilitation Loan Program*
Through CDBG funding, the Town offers 0%, deferred rehabilitation loans of up to \$5,000 to qualifying owners of existing affordable units. Payment of the loans is due upon resale, transfer, refinancing or if the affordable housing deed is terminated for any reason. Priority is given to existing affordable units being resold in compliance with the Town's and state's affordable housing programs.

Additionally, given the prioritization of elderly household needs and the need to preserve our public housing stock, funding has also been provided to the Yarmouth Housing Authority for modernization purposes. Moreover, the Buy-Down Program also presents opportunities to upgrade existing homes through a purchase-rehab approach, and the Housing Preservation Program provides subsidies to maintain existing affordable units, keeping them included in the SHI, as well as potentially intervening in foreclosures.

Next Steps: The Town should continue its Septic Repair Program and Affordable Home Rehabilitation Program and through the community educational campaign recommended in Section V.B.1, important information on housing improvement resources and local and regional programs can be disseminated to real estate professionals, local organizations and community residents as described in strategy V.D.3 below.

Resources Required: Staff time of the Department of Community Development and approximately \$32,500 annually in CDBG funding.

3. Help Current and Prospective Homeowners Access Housing Assistance

Timeframe: Years 1-2 and Ongoing

Responsible Parties: Community Housing Committee, Yarmouth Housing Authority and Yarmouth Council on Aging

Current Status: There are a number of important initiatives that have been developed to provide assistance to current or prospective homeowners including:

- *Septic Pumping and Repair Program*
This program provides help to qualifying homeowners to upgrade their septic systems (see description above).
- *Affordable Home Rehabilitation Loan Program*

Through CDBG funding, the Town offers 0%, deferred rehabilitation loans of up to \$5,000 to qualifying owners of existing affordable units (see description above).

- *Accessory Apartment Program*
The Town has provided funding to encourage the small-scale development of year-round rental units that are accessory to the principal unit in owner-occupied, single-family homes through its Accessory Apartment Program.
- *Homebuyer Education:* The Housing Assistance Corporation (HAC) and the Community Development Partnership (based in Harwich) also offer very informative courses for first-time homebuyers. Financial management and foreclosure prevention workshops are available as well for homeowners interested in better managing their finances to avoid financial hardship and better understand and avoid foreclosure.
- *Additional Programs and Services*
Additional programs operated by HAC are available to qualifying homeowners to assist in home improvements including:
 - *Existing Homeowner Rehabilitation Assistance Program*
Provides a no-interest, deferred payment loan to qualifying homeowners, the amount not to exceed \$25,000 and to be repaid upon the sale or refinancing of the property. The maximum house value for participating properties is \$362,000 and the needs of seniors, handicapped and single parents are given priority consideration for funding, as are houses with substantial repair needs.
 - *Get the Lead Out*
With funding from MassHousing, this Program provides low-cost financing to owners of 1-4 family properties to remove lead and reduce the possibility of lead poisoning in children.
 - *Home Modification Loan Program*
Offers financial assistance to persons seeking to make modifications to their home to improve accessibility for the physically disabled.
 - *Weatherization*
A federally-funded program to help qualifying property owners make energy-efficient home improvements. Most households that receive fuel assistance also qualify for this program.
 - *Heartwrap*
An emergency repair program for households receiving fuel assistance that require the repair or replacement of the heating system.
 - *Keyspan Gas Program*
Provides installation, caulking and weather stripping to income-eligible tenants and homeowners who heat with Keyspan Gas and receive the lowered gas rate.
 - *Cape Light Compact Efficiency Program*
Offers energy-saving devices (i.e., light bulbs, water conservation and other devices) and technical assistance to qualifying tenants and homeowners on how to save on their electrical bills. Some participants can also qualify for a free refrigerator, freezer.

Next Steps: Through the community educational campaign recommended in Section V.B.1, important information on rental assistance, education and counseling services, as well as housing improvement

resources is disseminated to real estate professionals, local organizations and community residents. The Town, through its Council on Aging and Community Housing Committee, as well as the Yarmouth Housing Authority, should provide the necessary information and referrals to programs sponsored by the Town of Yarmouth's Community Development Department, Housing Assistance Corporation, CDP and MassHousing.

Resources Required: Donated time of volunteers and some staff time from the Community Development Department, Council on Aging, and Yarmouth Housing Authority.

4. Provide Assistance to Renters

Timeframe: Years 3-5

Responsible Parties: Community Housing Committee

Current Status: Beyond rental subsidies that are administered by the Yarmouth Housing Authority, most available housing programs and services are provided to homeowners not renters (see above strategy). About 75% of the units included in the production goals are estimated to be rentals, which will support the Town's great need for workforce housing. However, other sources of support for renters could further help those of limited financial means to access rental housing in Yarmouth.

The Town of Yarmouth has been considering a Renters Revolving Loan Program. Both Chatham and Harwich have introduced a Rental Assistance Revolving Loan Program to provide qualifying renters with first, last and/or security deposits. The Housing Authorities administer the program. For example, Harwich received initial funding of \$100,000 through the Town's Community Preservation Fund to start this program.

While this program would serve a pressing local need to make rental units more affordable and assist those who might be at risk of homelessness, units would not be eligible for inclusion in the Subsidized Housing Inventory (SHI) as it does not meet all state Local Initiative Program (LIP) requirements.

It is also worth noting that there is some difference in opinion regarding the appropriateness of providing CPA funds for the acquisition, creation, preservation and support of deed-restricted units versus directly to income-eligible individuals. At this time, the use of CPA funding is clearly incontrovertible when the unit is deed restricted and becomes a long-term community asset, affordable in perpetuity. Without the deed restriction, the term "support" is subject to interpretation by local counsel and leadership. While it is probably safer to combine CPA-funded rental assistance with an existing housing program or development that requires the deed restriction at this time, there are quite a few communities that are providing direct assistance to individuals. In the last legislative session, specific legislation to eliminate any concern about using CPA funding for direct assistance to individuals, referred to as Senate Bill 90, was proposed but time ran out before the legislation could be adopted. It is hoped that this legislation will be reintroduced and approved during the next legislative session. If Housing Trust funding was used instead of CPA, this issue of direct assistance to individuals would not be a problem, however, even if funding to capitalize the Trust Fund came from CPA.

Next Steps: The Community Housing Committee should look into comparable programs operating in Harwich and Chatham and make a recommendation to the Community Housing Committee on the pro's and con's of introducing this assistance in Yarmouth. If the Community Housing Committee decides to

proceed, the Department of Community Development should prepare a preliminary program design and CPA application for funding.

Resources Required: Funding would be required from CPA and/or the Housing Trust Fund to provide program subsidies. The Department of Community Development, or a consultant, would provide the professional oversight of program development and management functions.

Appendix 1: Summary and Progress Report on 2007 Action Plan

Actions	Timeframe for Commencing Implementation		Responsible Parties
	Two-Year	Five-Year	
Planning and Regulatory Reform			
1. Adopt inclusionary zoning	Completed 2009		CHC, PB
2. Pass Village Center bylaw	X		CHC, CEDC, PB
3. Amend and promote accessory apartment bylaw	Completed 2009		CHC, PB
4. Amend Cluster Development bylaw		X	PB, CHC
5. Explore adoption of 40R/40S		X	PB, CEDC
6. Allow a wider range of housing types	X		PB, CHC
7. Explore TDR		X	PB, CEDC
8. Waive permit fees	X		BOS
9. Adopt Affordable Housing Guidelines/private development	Completed 2010 – reviewed annually		CHC, BOS
10. Allow affordable housing on noncomplying lots	Completed 2009		CHC, PB
11. Waive property taxes in exchange for deed restrictions		X	BOS
12. Explore property tax exemption for year-round rental units		X	BOS
Build Local Capacity			
1. Conduct educational campaign	Commenced 2007 & Ongoing		CHC
2. Create Affordable Housing Trust Fund and capitalize	Completed 2007		BOS, CHC
3. Access new housing resources	Ongoing		CHC, AHT
4. Apply for Commonwealth Capital scoring	Completed 2007 & Ongoing		CHC
5. Establish Annual Housing Summits	Completed 2007 & Ongoing		CHC
6. Inventory public and private property	Completed 2007		CHC
7. Create Housing Coordinator Position	Consultant Hired in 2008; AHT Staffed in 2011		BOS
Housing Production			
1. Revitalize commercial areas with housing	Commenced 2006 & Ongoing		PB, CHC
2. Make suitable Town-owned land available for affordable housing	Commenced 2008 & Ongoing		CHC, AHT
3. Support scattered-site housing	Commenced 2008 & Ongoing		CHC, AHT
4. Convert existing housing to affordability	Commenced 2008 & Ongoing		CHC, AHT
5. Promote adaptive reuse	Commenced in 2010 & Ongoing		BOA, BOH
6. Promote Green Construction and Scattered Alternative Energy Generation	X		CHC
Housing Preservation			
1. Monitor affordability of Subsidized Housing Inventory	Commenced 2006 & Ongoing		CHC
2. Upgrade existing housing stock	Commenced 2010 & Ongoing		CHC
3. Provide access to homeowner and homebuyer education programs.	Commenced 2008 & Ongoing		CHC, AHT

CHC = Community Housing Committee
AHT = Affordable Housing Trust
BOS = Board of Selectmen

BOA = Board of Appeals
BOH = Board of Health
CEDC = Community and Economic Dev Committee
PB = Planning Board

Appendix 2: Yarmouth Land Use Vision Map

